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# FINANCIAL TIMES

No. 27,016 Friday July 9 1976 \*\*\*10p

the **teamworkers**  
Taylor Woodrow

## NEWS SUMMARY

**STERLING falls 1.35 cents: Gilts up**  
STERLING fell 1.35 cents to \$1.7890 after a fall of nearly 2 cents earlier in the day. Selling from the Continent was absorbed but pressure developed after several sizeable orders in New York. Weighted depreciation widened to 38.4 per cent (48). Dollar's narrowed to 2.10 cent. (2.14).  
Back Page

**Equities moved narrowly**  
In this trading conditions, FT 30-share index closed 0.7 lower at 387.2.  
● **GILTS** medium and long improved to 1. short fluctuated narrowly. Government Securities Index rose 0.55 to 62.75.  
● **GOLD** was unchanged at \$123.25.  
● **TIN PRICES** rose sharply again on the London Metal Exchange, with the cash quoted at \$4,000 per tonne.

**ack hostage y be dead**  
Sources in Washington are quoted as saying that Mrs. Bloch, the Anglo-Israeli hostage from the Air Force hijacked to is, may be dead. They said Mrs. Bloch was being dragged screaming a hospital in Kampala. Mrs. Bloch is trying to get Mrs. Bloch, left behind in al after the Israeli rescue

**E fails**  
Schools Council voted over-riding yesterday for a new 10p school-leaving exam in and Wales to replace the and CSE. By 37 to 6 with abstentions, the governors intended a Certificate of Education to be operational from 1978. Ministerial approval. Page 9

**amatic debut**  
tate debut by Mike Selvey, (Middlesex 441) who took wickets in his first 20 tries, helped England to a 2-1 start in the Third Test in Trafalgar on a superb day. But Greenidge (134) and West Indies to 211 before and lost two for 37 by the Page 9

**een's welcome**  
means are giving the Queen overwhelming welcome on her visit. The New York Times said her Philadelphia arrival at the top of the front and TV ran a four-hour secular. Back Page

**3,000 Mercedes**  
price of £18,000 was paid Christie's Beaulieu auction for a Mercedes. It will go into a date collection. Page 2

**to quit**  
John Stonehouse told his Bailey trial yesterday that could resign as an MP what the outcome. He was in sixth day of his defence ment on 21 charges.

**ople and Places**  
ro Sacucci, 33, Italian nee MP held in London since 13 on an extradition war- connected with the fatal- ing of a young Communist, freed yesterday when the not was withdrawn.

**Bessie Brackley** of Dover, Essex, received £200, in a r's will yesterday—in- ks for her "ever-ready" jumping commentator an Williams was fined £225 on yesterday for crossing traffic lights in his car.

**in London and neighbour-**  
countries were alerted after the sergeant said he had the missing Lord Lucan Page 24 and Lex ckfield, Sussex.

**riano Ballestrero**, 18-year-old, died, secured another rising round of 60 to take half-way lead in the Open at Birkdale, two shots ahead ohmy Miller. Page 3

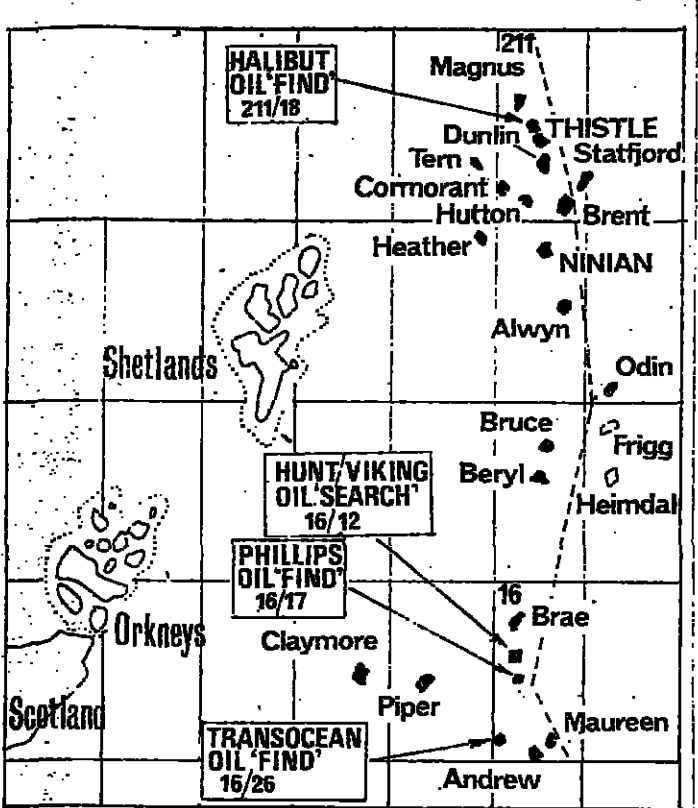
**IEF PRICE CHANGES YESTERDAY**

ces in pence unless otherwise indicated (p)	
<b>RISES</b>	
Intl.	97 + 6
oley Hambro	133 + 6
Peacock	251 + 31
and Baron	471 + 31
am Miller	32 + 4
yn (J.)	101 + 4
trans	112 + 8
Portland Est.	244 + 8
ene King	190 + 5
amson	472 + 1
W. Hart	94 + 4
etts Crp.	173 + 15
y Prop.	162 + 7
cinemas	115 + 50
d Secs.	188 + 4
Land	581 + 3
Refrigeration	74 + 8
nnal Prop. "A"	361 + 34
onside Inv.	39 + 8
<b>FALLS</b>	
Stock Conversion	179 + 4
unley (B.)	115 + 7
Taylor Woodrow	250 + 4
Thomson	288 + 6
Waddington (J.)	110 + 6
Wades Dept. "A"	30 + 6
Oil Exploration	31 + 6
Shel Transport	428 + 4
Tricostrol	60 + 3
Brackley	153 + 6
de Beers Ltd.	230 + 12
Geveor	260 + 15
Hartington	111 + 1
Randolph	518 + 1
Tangierita Cones	162 + 7
Union Plat.	182 + 4
<b>Other</b>	
Doris "A"	206 - 2
Klimphor	51 - 6
Lonrho	77 - 5
Weekly Nat. Resources	45 - 2
Palabra	634 - 30

## Major oil and gas find in North Sea

BY RAY DAFTER, ENERGY CORRESPONDENT

THREE NEW discoveries have been made in the North Sea, one of which, at least, indicates a major accumulation of crude oil and associated gas.  
Burmah Oil, as operator for the Halibut exploration group, announced a newly-defined field just seven miles north of the commercial Thistle field. To the south, in quadrant 16, the Transocean group has made an interesting discovery while near-shore operations by the Phillips group have found oil on a structure linked with the important Brae field. This may well prove to be the most significant find of the three.  
The Brae field is already recognised as one of the biggest in the North Sea with reserves of more than 1bn. barrels of oil and two to three trillion cubic feet of gas. Now the Phillips group has discovered oil on the same basic structure, more than 20 miles to the south. Details of the discovery, made with the Ocean Rover semi-submersible rig on block 16/17, have not been announced but it is thought that the producing pay-zone is well over 800 feet deep. Significantly, the well encountered almost identical geological conditions as the third well in Pan Ocean's Brae field, in block 16/7.  
Detailed testing of the well is expected to take several more days, but the field—code-named "Thelma" by Phillips—is thought by one leading analyst to contain at least 600m. to 800m. barrels. Further drilling will be needed to delineate the structure and to confirm the commercial attractiveness of the reservoir.  
It is anticipated that the group, comprising Phillips, Petrofina, Agip, Century Power and Light, and Oil Exploration will announce a follow-up drilling programme.  
The Hunt International/Viking Oil group is currently drilling on the same feature in block 16/12, immediately north of the Phillips find and south of the Brae field. Drilling operations started on June 9 and should be nearing completion later this month.  
The Board of Viking Oil has told shareholders that conditions on its block could be similar to those encountered around the third well on the Brae field although it has added the necessary caveat: "It must be stressed to the utmost that there can be no certainty of this."  
What the Phillips and Hunt/Viking groups are anxious to establish is whether or not the Brae field is a self-contained entity, contained in block 16/7, or an elongated reservoir stretching across three blocks.  
If the latter proves to be the case, it will emerge as the biggest field in the U.K. sector: a long, narrow reservoir stretching some 30 miles and containing more than 2bn. barrels of oil. In the other hand, the feature—in essence, sediment of oil-bearing sand trapped in the slope of a sunken cliff—may well be "pinched" in parts of its structure. This would lead to a series of separate fields.  
In either case the discoveries are likely to warrant a commercial development programme, probably involving the construction of a new pipeline. The system could also tap other finds in the vicinity, the Phillips Groups Andrew and Maureen fields in the south of quadrant 16, for instance.



Adjacent to the Andrew field, on block 16/26, the Transocean Consortium has made what is believed to be an interesting oil discovery in its first obligatory exploration well. Again details Continued on Back Page North Sea Oil Review Page 25

## British Steel expansion cost soars

BY ROY HODSON

THE GOVERNMENT is about to acknowledge that the true cost of modernising and expanding the British Steel Corporation is that Teesside should become one of Europe's largest steelmaking centres with an annual output of 12m. tonnes and that Port Talbot should play a more important role in making flat products with capacity going up from 3m. tonnes to 6m. tonnes a year. The necessary, but inflation and slow progress with the building of steel plants have combined to render that estimate obsolete.  
Mr. Eric Varley, Industry Secretary, is expected to reveal to Parliament later this month detailed strategy for development of public sector steelmaking which accounts for more than four-fifths of Britain's production.

investment will be put into the two coastal works at Redcar, on Teesside, and Port Talbot, South Wales. The intention is that Teesside should become one of Europe's largest steelmaking centres with an annual output of 12m. tonnes and that Port Talbot should play a more important role in making flat products with capacity going up from 3m. tonnes to 6m. tonnes a year. The necessary, but inflation and slow progress with the building of steel plants have combined to render that estimate obsolete.  
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**Shortage**  
It has not been lost upon members of the Cabinet that one of the most widespread fears expressed by key sectors of British industry reporting to this week's meeting of Government and industry at the National Economic Development Council was that steel shortages might hold up industrial recovery. Labour problems, coupled with technical difficulties at major steel plants have caused serious supply difficulties during the last two years. At present, technical problems are contributing to a shortage of cold-reduced steel sheet for car bodies and consumer durables.  
The Government working party looking into the iron and steel industry is concerned that "a failure to achieve smooth implementation of the steel development programme" plus future industrial relations problems could result in a continuing shortage of home-produced steel. The Government will insist upon higher productivity from the workforce—which means a reduction in manning levels at many works to something nearer the levels of other big steel-making nations—in return for the promise of expanded and accelerated capital investment plans.  
Since 1970, annual capital spending on new plant by the corporation has risen relatively slowly from £424m. in 1970-71 to £531m. in 1974-75. The final figure for 1975-76 is expected to be something in excess of £600m. A considerable jump in the annual rate of investment must be sanctioned by the Government if a programme designed to provide Britain with a modern and adequate industry by the 1980s is to be achieved. The lion's share of new capital

**Overmanning**  
Ian Hargreaves writes: The corporation is not likely to achieve the target of reducing its labour force by 40,000 in 1976 and 1977. This emerged yesterday when it met the TUC steel committee to discuss, among other things, progress made in the de-manning agreement signed by both sides in January.  
Although the corporation was able to report satisfaction at the reduction of manpower made surplus because of the recession, it was told by unions that there is no question of tackling the "unbuilt" over-manning and job re-structuring referred to in the January agreement until the pay policy permits men to be paid a higher rate for restructured jobs.  
Mr. Bill Sims, general secretary of the Iron and Steel Trades Confederation, said after the meeting that there was no question of his members accepting job streamlining without cash on the table. Because pay policy would impede wholesale reorganisation up to August, 1977, he did not see the likelihood of progress before then. Under the terms of the January agreement, cuts in so-called built-in over-manning were to have been achieved within a period of not more than two years.  
The signs are, though, that "recession over-manning" has been tackled effectively within the past six months.  
Editorial comment Page 18

## Concessions on taxing company cars announced by Government

BY RICHARD EVANS, LOBBY EDITOR

SUBSTANTIAL concessions on taxing of company cars for private use after representations from the U.K. motor industry were announced last night by the Government in amendments tabled to the Finance Bill.  
The principle proposed in the Budget—that the use of company cars would be taxed on a sliding scale—according to cubic capacity or price—will be retained, but the categories have been widened and the amount added to taxable earnings lowered substantially.  
Direct comparisons with the Budget proposals are difficult because of the different categories introduced. But under the original proposal a director or an employee earning over £5,000 a year using a company car costing under £5,000 and with a cubic capacity of more than 1,800 c.c. would have had a nominal £750 added to his income for tax purposes. This has been reduced to £350.  
Someone using a car costing more than £10,000 would have had £1,800 added to his income. This has been reduced to £800.  
The concessions, tabled for debate during the report stage of the Finance Bill on three days next week, follow detailed consultations with motor manufacturers and other organisations who were anxious about the effects the original proposals would have on the U.K. industry.  
**Main fear**  
The main fear was that the scale of taxation would have a particularly damaging impact on higher-priced executive cars and, in consequence, companies would trade down to smaller cars, many of which are imported.  
British Leyland claimed that its cars, particularly Jaguar, Triumph and Rover, would have been badly hit.  
But, although the amount of taxable earnings added for the use of company cars has been lowered, it will come into full operation earlier than proposed in the Finance Bill. New scales will apply for 1977-78 and subsequent years—and there will not now be a charge of one-half of the scale figures for 1977-78.  
However, when an employer certifies that in any tax year his employee has driven 25,000 miles or more on business travel he will be taxed only at one-half of the appropriate scale. This will clearly be of particular benefit to commercial travellers.  
In general, the new proposals are expected to yield about one-third less than the £335m. estimated in the Chancellor's Budget speech, but substantially more than the present system of apportioning tax between business and personal use.  
Treasury and Inland Revenue officials believe that motorists who pay tax now on the use of their cars will not pay any more under the new proposals, whereas those who have not paid tax in the past for various reasons will be brought into the net.  
Revised scales and amounts are:  
● Cars costing 55,000 or less and having a cylinder capacity of up to 1,300 c.c. will have taxable benefits of £175; 1,301 c.c. up to 1,800 c.c. will have £225; 1,801 c.c. or more will have £350.  
● Cars costing more than £5,000 but less than £10,000 will have taxable benefits of £500 and cars costing £10,000 will have taxable benefits of £800.  
● Cars which are more than four years old will be assessed at two-thirds the above figures.

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## CBI will seek £200m. more relief under Price Code

BY ELMOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE CONFEDERATION of British Industry is to ask the Government for at least another £200m. relief under the Price Code.  
This is on top of the package of changes unveiled last week, which the Government estimated would add £800m. to company profits and £1bn. to retail prices. But the CBI estimate it will have a less dramatic effect on corporate profitability.  
In view of the lengthy discussions which have already taken place over revisions of the Price Code, however, it seems unlikely that relief of this magnitude will be given. But the CBI clearly regards the issue as a crucial test of the Government's willingness to implement the spirit of accord expressed at Wednesday's meeting of NEDC.  
At a meeting next Wednesday, the CBI will ask Mrs. Shirley Williams, Secretary for Prices, to amend the code to allow companies to retain some of the benefits of a more efficient labour during a period of rising output.  
The confederation, which had three months of discussions with the Department of Prices before publication of last week's consultative document has, however, given up the hope of persuading the Government to accept two of the changes to the code which it regarded as most important.  
There is now a reluctant recognition of the fact that the investment relief scheme will not be extended to cover working capital and that the way companies calculate individual price rises will not be changed to allow input costing on labour.  
Instead, the confederation is to ask Mrs. Williams to allow companies to disregard a proportion of any volume increase when arriving at the unit cost of labour in a price increase.  
This proposal, the CBI feels, has a chance of succeeding as it is an extension of a change already proposed by the Government as a way of removing the present disincentive to increasing sales in the code.  
In the consultative document, the Government proposed that companies should be permitted to disregard half of any growth in sales when calculating changes in fixed costs, like rents and rates. The CBI argues that, in most businesses, labour accounts for a substantial proportion of fixed costs and for this reason it would be logical to calculate the change in fixed labour costs on the same basis as other fixed overheads.  
Such a move, the confederation estimates, would add about £200m. to the value of the changes already proposed by the Government.

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**Memo**  
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Fisonenix  
The Financial Times Friday July 9 1976  
The Pleasure of His Company  
by MICHAEL COVENEY

her (the programme is no was going to take Hitler's emer- that Samuel Taylor's gence as a threat to world free- can comedy, set in a large dgm to shake him off the pursuit overlooking San Fran- of happiness on the Continent Golden Gate in 1938, and the Aegean. from the late '50s. For the time being though, ord Poole (Pogo) to his Pogo's ex-wife (one of three) can s) turning up for the wed- scowl jealously while he hands of his daughter, Jessica out a pearl necklace to their da Carroll), to a brave daughter with the same ex-cessing Roger (Michael) words he once spilt on her. th) who sends his semen Pogo suffers from what was once r the world. "You must charmingly referred to as a ery proud" grins the weakness for women, a fault that air Douglas Fairbanks Jr. does not deter him from flir- ng his daughter means the ex-wife while her cur- stuff, but working the rent husband froths with rage with ely, if not exactly before falling down a flight of stairs. David Langman manages this role decent as he does most of his dreadful lines, with the sort of expertise you expect even a slightly, plays of an actor who played the same a tantalisingly with part in the first London produc- a sudden pre-marital in- tion, nearly 20 years ago.

With a small band of cornetti and sackbuts, a quintet of baroque strings, and 16 expert choristers (their subordinate choir groupings sometimes in- adently far apart, the sound was generally dulcet much more so than recently customary in Gabrieli, combining grandeur and gentleness, pomp and humanity in a manner authentically Venetian. Mr. Hickox also favoured moderate tempos, and a careful layering of section upon section. The advantage of this approach was a close concentra- tion on the rich sweetness and melancholy behind much of the

Alban's EC1  
Giovanni Gabrieli  
by MAX LOPPERT

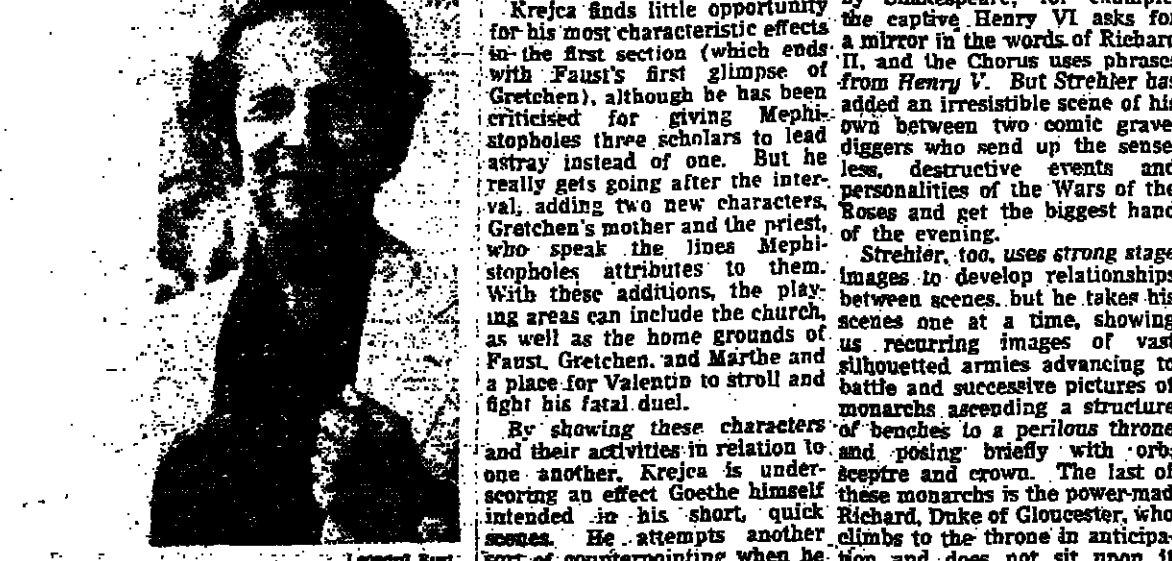
City of London Festival red on Wednesday a new for its concerts: the impos- St. Alban's, in a cabl and wred corner of Leather Lane, and spacious notably un- of a strain, no doubt, on repassing concertgoer than e worshipper) but just right ze and acoustics for the amme of pieces by the ger Gabrieli offered by the rd Hickox Singers and the no Gabrieli Brass En- le. Mr. Hickox, as his pro- me note made clear, was rmed to temper any po- importations into the music rary brushstrokes such as is uraged by the abrasive bril-



mes Hazeldine, June Watson, Marjorie Yates and Philip Joseph in "Small Changes" which opened last night at the Royal Court Theatre

urgtheater, Vienna  
Krejca and Strehler  
by HENRY POPKIN

he Vienna Burgtheater, in its entennial festival of directors, accorded Otomar Krejca the extraordinary honour being asked to direct a classic German literature, the first of Gnehe's Faust. Krejca l he remembered as the man se enforced absence at inter- lional theatre festivals where was expected caused an inter- lional scandal soon after 1968. few years ago he was "for- en" at home and permitted resume his profession in igue; he will spend next year a guest director in Dusseldorf. Krejca's Faust continues a



in Georgiadis, the new leader of a London Symphony Orchestra. Georgiadis was leader of the SO from 1945 to 1972, and since then he has been pursuing a very successful career as a soloist, chamber music player, conductor, and director, from the violin, of German music. He takes up his new appointment on November 1,

Cinema  
Dying gasps  
by NIGEL ANDREWS

The Missouri Breaks (AA)  
Odeon Leicester Square  
Feelings (X)  
Metropole  
Spy Story (A)  
Plaza  
New British Cinema  
ICA

The twin effect of ageing stars and ever more sophisticated audiences has caused the Western to change almost beyond recognition in recent years. Once upon a time in the West heroes were heroes, or at least valiant rogues, and villains were insinuating men in black suits and shoe-string ties. Moral certitude reigned, and whether the final weapon of heroism was (James Stewart) or tightlipped dignity (Gary Cooper), the audience had no doubt which of two sides it should be shouting for.

The Western has now grown up, and grown out, it seems, of the moral simplicities of a by-gone age. The only way to separate the good from the bad in Arthur Penn's new film *The Missouri Breaks* would be to slice every character down the middle. Jack Nicholson's bearded horse thief monopolises audience sympathy by sole virtue of his having a head start of 30 minutes' screen time on co-star Marlon Brando's whiskey Irish hired killer. Neither is discernibly more virtuous or heroic than the other. And so scrambled have become the old values of Western chivalry that the female lead (Kathleen Lloyd) is neither an ice-cream heroine nor a dashing tomboy but a petulant nymphomaniac forever draping herself around a grimly unresponsive Nicholson.

On this evidence, the downbeat Western is in danger of hardening into just as risible a bucking variety. Penn shoots early parts of the film in the gauzy, wistful style of the family reunion in *Bonnie and Clyde*, but nostalgia melancholy gradually changes to earthy knockabout; and once the main plot is under way (Brando is hired by a wealthy rancher to stamp out Nicholson and his gang) he picks them off one by one until only he and Nicholson are left. The film switches uneasily between the energetic dictates of its pursuit-and-revenge story and the elaborately dishevelled social panorama Penn seems determined to build around it.



Jack Nicholson and Marlon Brando in 'The Missouri Breaks'

emerging from a privy. The fourth is winked out from his mountain retreat by a Brando inexplicably dressed in drag, and skewered between the eyes with a kind of flying swastika. *Opaque* in its intentions and sluggish in its rhythms, I hesitate to think what the film would be like without the flamboyance of the lead performance. Nicholson brings his elastic drawl and Cheshire cat grin to a part that would be nondescript without them, while Brando turns an underwritten role into a tour de force of stage-Irish comic invention: a wild-haired, gently mumbling fop (Fletcher Christian out of Peter (P) what happens more time talking to his horses than to his fellow humans and who gets his come-uppance in the single breathtaking and indelible moment of the film. "You know what woke you up?" says Nicholson. "Your throat's been

slit." Elsewhere for all its pretty photography and hand-ful of good supporting perform-ances, *The Missouri Breaks* seems to me to do even less for Arthur Penn's currently faltering reputation than his last film, the lugubrious and overrated *Night Moves*. "I feel just like a sperm dis-posal machine," says the heroine of Feelings. And after what she is put through in this film, no one could reasonably blame her. The story concerns a childless wife who wants a baby but whose husband is sterile. Should she adopt a child? Should she try artificial insemination? Should she have sex with another man? The third alternative is plumped for, without too much delay, and scenes of copulation in hospital rooms and bachelor apartments ensue. Thereafter the film teeters along from one kinky subplot to another—a father who wants to go to bed with his own daughter,

a lesbian couple who want a baby—and reaches its climax in a court scene involving a con-voluted paternity suit. *Spy Story* is even worse. This adaptation of a Len Deighton novel looks and sounds like the dying gasp of the espionage movie. Badly acted, worse directed, the film dies of dra-matic undernourishment some-where around the third reel. If I knew what the story was about, I would summarise it for you, but this is the kind of film in which plot obscurity is flaunted as if it were an insignium of authenticity. This, the film seems to say, is what the world of espionage is like—tough, murky, labyrinthine. Director Lindsay Shontoff duly makes no attempt to unscramble the proceedings, and the result is a small master-piece of complacent unintelligi-bility.

ment it needs and that on recent form it has deserved. From next week, the ICA cinema will be operating on Monday, Wed-nesday and Thursday. In addi-tion to its week-end schedule, and the new showings will be devoted to the best in recent independent British film-making. One of the complaints of young directors in this country is that organisations set up to help independent cinema are willing enough to subsidise the making of the films but peculiarly stoth-ful when it comes to promoting and exhibiting them. The ICA's season, therefore, should fill a critical gap in London's exhibi-tion scene. The films showing next week are Jans Bokova's *Millita Battlefield*, a study of three eccentric American enter-tainers working in London; John Sharrad and David Griffiths's *War*, set in the Ameri-can Civil War; and a short film by Chris Makja called *Dialogue*.

Florence opera  
Orfeo ed Euridice  
by WILLIAM WEAVER

This has been a very austere Maggie musical, heavily weighted in the direction of 20th-century music: Henze, Dessau, Bussetti (and with more ahead). For the less austere music lover some relief has come at last in the form of *Orfeo ed Euridice*, the major opera presentation of the festival. Gluck's masterpiece, to be sure, is hardly light fare, especially in the original leaner Vienna version adopted here. But after these weeks of con-temporary music it was good to hear a piece that opens squarely in C-major.

The Overture revealed im-mediately some of the merits and defects of the performance. Riccardo Muti—recently named chief conductor in Florence—phrased with his accustomed elegance and taste, and the orchestra followed him enthus- iastically. But the intonation—both in the strings and in the winds—was awry. The situation improved to some extent in the second and third acts, but it was clear (and has been clear from previous events of this Maggio) that the orchestra needs some work. Muti is obviously the person to direct the process of renovation.

Luca Ronconi's production and Pier Luigi Pizzi's sets and costumes did little to enliven the evening. The basic set was hand-some: a large room walled with dark mirrors (Pizzi used this device also for a *Pique-dame* scene in Florence) a couple of seasons ago). Carbonised cypresses marked Euridice's grave in Act One and served as the Elysian garden in Act Two. Visually, there was nothing classical about the staging. Euridice and her Blessed Spirit companions wore white evening dresses, vaguely Victorian. Orfeo—not in *travesti* here—wore a black version of the same dress, with her hair long down her back. She had the look of a 19th-century housekeeper; one thought of Mrs. Gross.

Hell, for Ronconi, is an 18th-century brothel (or Bedlam, per-haps), with frizzy-haired Furies in hoop-skirts and body-stockings. It was an arresting sight indeed, all the stage-pictures were, in big band playing and the movements of singers and the chorus (and corps de ballet, which doubled for the chorus on occasions) were not particularly significant, and at times were distracting, as when—during Euridice's aria—Orfeo examined his reflection in the mirror-walls. In Act Two the dances were mimed: in Act Three they were danced. Euridice was choreographed by Geoffrey Cauley. For the finale, two tiers of stage-boxes flanked the central room, presumably to remind us that Gluck's master-piece was originally a court entertainment. True, but it also was—and is—a story with immense power to move. Much of the emotion was deliberately forestalled by the production. Nevertheless, there was much to enjoy in this *Orfeo ed Euridice*, and the Florentines who packed the Teatro Comunale, showed their pleasure with repeated, warm ovations.

Chopin. Alkan virtually gave up his career as virtuoso pianist at the age of 25; during the next decade he wrote a fair amount of music and made a few public appearances. Soon after his failure to obtain the post of Head of the Piano Department at the Paris Conservatoire, he with-drew from public and social life, becoming a total recluse, though he continued to compose. Hav-ing lived through the Siege of Paris in 1870 for forty-nine days and nights without respite I have

Book Review  
Pianist and composer  
by ELIZABETH FORBES

Alkan Vol. 1: The Enigma by Ronald Smith, Kahn & Averill, £3.00, 114 pages

Book Reviews are on Page 29

Sperry Univac backs National Youth Jazz Orchestra

Sperry Univac is sponsoring a concert of the National Youth Jazz Orchestra at the Fairfield Halls, Croydon, on Saturday, July 17 at 7.30 p.m.

The National Youth Jazz Orchestra of Great Britain, founded by Bill Ashton, com-prises 50-60 young musicians with ages ranging from 14 to early twenties from all over the country, of which 25 play at any one time. Its objectives are to train the youngsters in the art of big band playing and jazz improvisation, to perform in public and to commission new music from young British com-

posers. The orchestra has played in clubs all over the country and in March appeared at the Reno International Jazz Festival and subsequently toured Nevada and California with great success. John Pascoe, Sperry Univac U.K. Marketing Services Director, said this week: "Contrary to popular belief, computer tech-nology is very human and is a vehicle for communication between people. Sperry Univac is a people company and we are proud to be able to assist these talented young musicians who are such a good example of British youth and the future."

How can you be sure of choosing the best pension plan available?



Firstly by selecting a plan that provides for tax relief at the highest rates of unlimited tax you pay. And secondly by choosing a plan that is flexible. Our Design for Retirement gives you both. Flexibility to take a tax-free lump sum when you retire as well as a pension. Or just a pension. Flexibility to pay annual or single premiums. Flexibility should you die before retirement—your premiums will be returned with generous interest, or you can leave your dependants a pension. MGM's Design for Retirement offers all this and more to the self-employed. For further information, contact your local branch of MGM Assurance or Head Office at MGM House, Heane Rd., Worthing, West Sussex BN11 2DY. Tel: Worthing (0903) 204631. Direct line from London 01-623 8211.

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Mutual Life Assurance Society, Established 1851















# 20 sensible questions you asked about Asbestos and health. And the answers.

## 1 What are the risks of my getting an Asbestos disease?

The risks are almost always confined to those who worked extensively with asbestos some years ago - before present safety regulations were introduced.

Asbestos only becomes dangerous when the dust is breathed in excessive amounts, generally over a long period.

It can damage the lungs and interfere with breathing: this is a disease called asbestosis, which can lead to a greater risk of developing lung cancer, particularly when associated with heavy smoking.

Some people may develop a rare cancer called mesothelioma. Of all the cancer deaths in the country only 0.14% are due to this disease, which can develop without any link with asbestos.

Where there is a link it is mainly associated with blue asbestos fibre, which is no longer imported.

Most asbestos related diseases are the result of high exposure to asbestos dust in working conditions which are no longer allowed by law.

## 2 How long do Asbestos diseases take to develop?

Most asbestosis cases are diagnosed 15-20 years after first exposure.

Mesothelioma has developed between 15 and 50 years after exposure to dangerous amounts of asbestos dust.

People suffering from asbestos diseases today were thus almost always exposed many years ago to working conditions which are no longer allowed.

## 3 Is it just the dust that's dangerous?

Yes. Asbestos-containing products in themselves are perfectly harmless.

The only risk is when fibres are released in quantity, for instance by intensive cutting or abrasion.

## 4 What are the advantages, if any, of asbestos?

Asbestos combines several vital properties in one economic substance.

It resists fire, heat and corrosion. It's strong and long lasting, even though it is extremely light and flexible.

As a reinforcement it gives these properties to other materials, e.g. in brake linings it withstands the heat generated by braking.

## 5 How can I recognise Asbestos products in my home?

It isn't always easy. Asbestos fibres are usually mixed with other materials - such as cement and various resins - which seal them in, but can make them hard to recognise.

Because asbestos resists fire and heat, it's used in insulation board, ironing board stands and oven door seals.

Asbestos cement sheeting is weatherproof, too, so it's often used to roof garden sheds and garages. And asbestos is used in your car brake and clutch linings. In the past it was sometimes used to lag tanks and pipes.

## 6 What is the Blue Asbestos I've heard about?

Blue asbestos fibre (crocidolite) is a rare form of asbestos that's exceptionally strong and acid resistant.

It is, in some instances, considered more dangerous than white asbestos, and has not been imported since 1970. Before that it was used for sprayed insulation and pipe lagging.

## 7 Are there any tests that detect Asbestos dust in the air we breathe?

Yes. Tests for detecting dust in the atmosphere are carried out regularly by the asbestos industry, through the Asbestosis Research Council, other research organisations and public authorities.

The results indicate no health hazard to the general public.

## 8 Is there Asbestos dust in the air from car brakes?

Asbestos, combined with various additives, is used in car brakes for efficient stopping-power, strength and heat-resistance.

Only 1% of the tiny amount of brake dust released is asbestos, and asbestos levels in traffic are usually a million times lower than the level allowed in factories.

## 9 Is the asbestos on my ironing board dangerous?

No. The only asbestos in your ironing board is in the stand for the iron at the end.

Hard iron stands (the sort found on most modern ironing boards) present no hazard as they do not wear out.

Some older ones were made of a softer material, however, and may fray.

The amount of dust released should not be dangerous, but obviously, it is sensible to replace a worn stand.

## 10 My husband is a do-it-yourself fan. What should he know about Asbestos?

The asbestos industry has published a leaflet for the home handyman, which gives simple do-and-don't rules about working with asbestos products.

By the end of the year, most asbestos products in the shops will carry a special symbol.

At the bottom of this page, you'll find the Asbestos Safety Code.

Why not cut it out and keep it handy?

## 11 What should I tell my children about Asbestos?

There's no need to alarm them: simply tell them that, like petrol, gas and electricity, asbestos does a great deal of good - for example in fire protection.

But, like petrol, gas and electricity, it can be dangerous if not used properly.

## 12 Are older people more likely to get Asbestos diseases?

No. Age itself does not appear to affect anyone's susceptibility to asbestos-related diseases.

Some older people may have been exposed to asbestos dust at work, before the present safety legislation came into force.

## 13 What should I do if I think I have an Asbestos disease?

There are many causes for breathing difficulties.

However, if you think you have been heavily exposed to asbestos dust more than fifteen years ago, and you have trouble with your breathing, you should consult your doctor.

## 14 Can Asbestos cause skin cancer?

No.

## 15 What if I swallow Asbestos?

There is no evidence that swallowing a small amount of asbestos fibre has ever done anyone any harm.

## 16 Can I catch Asbestos diseases from someone else?

No. They are neither contagious nor infectious.

## 17 How should I dispose of Asbestos?

For industry, there are special regulations for asbestos waste disposal.

If you work on asbestos products at home, damp any dust you may make immediately, and seal it in a plastic bag for disposal.

## 18 What can I use in place of Asbestos?

Glass fibre, rock fibre and mineral wool may be used for some insulation products.

However, asbestos is indispensable for many applications. And for many others, it is still the cheapest and most efficient material.

## 19 Why has there been no Government statement about the dangers of Asbestos?

There have in fact been several Government statements on asbestos and health over the last 50 years.

Legislation controlling asbestos factories was introduced in 1931. More comprehensive asbestos regulations came into force in 1970.

This year, an Asbestos Advisory Committee was set up by the Secretary of State for Employment; this committee is reviewing the health risks for workers with asbestos products, and for the general public, to see if any further protection is needed.

## 20 Can Asbestos be used safely?

Yes. Any risk comes from careless working on asbestos products which can cause you to breathe too much asbestos dust.

So read the Safety Code below. And if you have any further queries, please send us the coupon. Our address is:

The Asbestos Information Committee, P.O. Box 4QS, London W1A 4QS.

## The Asbestos Safety Code

**Avoid creating asbestos dust.**  
**Avoid breathing asbestos dust.**

### AT HOME

1. **Damp the work** if you think you are likely to make a lot of dust: wet dust does not become airborne and is not inhaled.

2. **Damp any dust that falls to the floor** and pick it up as soon as possible. Place it in a plastic bag and seal the bag.

3. **Work in a well ventilated space**, if possible outdoors, when sawing, drilling, filing or sanding.

4. **Use hand saws and drills** where possible: these produce less dust than power tools.

5. **Renew worn or frayed asbestos insulators** like oven door seals, hot plate cover seals, ironing stands and simmering pads.

**AT WORK:** If your day-to-day job involves asbestos, you should already have been issued with instructions and, if necessary, appropriate safety equipment.

**ALWAYS FOLLOW THE SAFETY PROCEDURES.**

To: The Asbestos Information Committee, P.O. Box 4QS, London W1A 4QS.

Please send me further information on asbestos and health.

(If you have a particular query, please print it in the space below.)

My query: \_\_\_\_\_

Name: \_\_\_\_\_ Address: \_\_\_\_\_

1/124

**The Asbestos  
Information Committee**







## HOME NEWS

## Orange parades will delay power-sharing talks

BY OUR BELFAST CORRESPONDENT

TALKS between the Official Unionist Party and the Roman Catholic politicians aimed at securing a critical stage in the process of power-sharing in Northern Ireland will be delayed by the annual Orange Order parades.

The degree of support the Official Unionists have for their initiative with the SDLP will become evident on Monday when one of their representatives in the negotiations, the Rev. Martin Smyth, will appear on a Belfast platform in his role of Grandmaster of the Orange Order.

He is expected to come in for some hostility from the traditionally hard line element of the Order. But he is understood to be preparing to defend his party's involvement in the face of bitter opposition from within the Unionist Coalition.

No great hopes are being held out for settlement from the discussions. In fact, Mr. James Moynihan, leader of the Ulster Unionists at Westminster, has said that "short of a miracle there is no going to be de-

veloped government in Northern Ireland for some time."

The Official Unionist Party was yesterday sharply critical of the SDLP for its attitude to power-sharing at local government level.

It complained that the SDLP was denying a say to the Loyalists on the two local councils it controlled.

"The SDLP wants to have its cake and eat it. Its cry is do as we say but not as we do," said the Unionists.

Despite recent reports that "an 80 per cent agreement" is due to emerge, it is on the crucial issue of power-sharing at the top level of government that the talks must find agreement, not on minor issues which have never proved contentious.

Meanwhile the security forces are drafting extra men into the 15 or so districts where Orange parades will take place in case of sectarian incidents. A part-time member of the Ulster Defence Regiment, the second to be attacked this week, escaped unhurt yesterday when gunmen fired 24 shots at him near Lurgan, Co. Armagh.

## Lawyers fight for two counsel

Financial Times Reporter

THE ABOLITION of the rule by which a QC does not appear without a junior counsel in the courts, agreed by the Bar Council on Wednesday after a Monopolies Commission report which said the practice worked against the public interest, came under fire yesterday from the British Legal Association.

The association says that the move will put extra strain on solicitors, and is asking Mrs. Shirley Williams, the Prices Secretary, to receive a reputation to discuss the matter.

At present in England and Wales a QC is not allowed to appear in court without a junior counsel.

"It is already woefully uneconomic for practising solicitors to spend hours in the criminal courts for restricted fees of £15 or £20 a day," said Mr. Jeffrey Gordon, the association's spokesman, yesterday.

"Abolition of the two counsel rule, as recommended by the Monopolies and Mergers Commission, must mean that senior solicitors will be expected to stay themselves in court throughout a case rather than assign a more junior member of their staff to it."

Mr. Gordon added: "At £20 a day—less than many a manual worker gets—the British Legal Association is determined to campaign for more realistic court fees to meet heavily rising office overheads."

## Furniture deliveries up in May

By Kevin Done, Industrial Staff

DOMESTIC furniture deliveries in May were about 3 per cent higher than in the same month last year at £50.2m. This gives a seasonally adjusted index of deliveries for the month of 105 against the 1970 average of 100. This is an increase of 10 points on the revised April figure.

But the index of orders on hand is some 27 per cent lower than the volume of orders held by Miller, the month of 12 months earlier when orders were on a rising trend.

## FT CONFERENCE ON ENERGY

## The two choices confronting nuclear development in U.K.

BY ANDREW TAYLOR

A DIRECTOR of one of the country's leading merchant banks yesterday called on the Government to allow financial institutions to play a greater role in providing capital for the development of Britain's nuclear resources.

Mr. John MacArthur, a director of Kleinworth Benson, which is active in international nuclear financing fields, was speaking at the first day of the "Nuclear Power and the Public Interest" conference sponsored by the Financial Times.

Mr. MacArthur said: "From a purely U.K. point of view we must ask ourselves whether we are now creating the 'Shell' Transport and Trading, the BPs and the Burnalls which will take up the challenge. We are not likely to succeed unless the main thrust comes in the private sector through properly motivated companies and individuals."

He said that Britain was faced with two choices: either to continue financing nuclear power development from public funds, adding to the public sector deficit—a situation which he doubted could continue—or by turning to established financial institutions like merchant banks.

"The growth of nuclear power will require enormous financial resources. These will be subject to competing claims from other outlets."

"It is clearly preferable to use long term and at least partly equity finance for the construction of power stations and fuel cycle capital expenditure. A variety of short-term instruments, from simple overdrafts through to medium-term promissory notes would be suitable for working capital requirements. In the trading of nuclear materials there are specialists in corporate credits which are particularly suitable for certain parts of the fuel cycle."

"The ideal outcome of the financing of nuclear power in the OECD countries would be a gradual shift on to a normal corporate structure which would involve offering equity, in the entities concerned to the public."

This would lead to increasing reliance on national and international banking systems. Such a move would be logical allowing development to take place without increasing the burden on a public sector, which could cause

a material and unacceptable distortion of the whole economy. Nuclear energy was now coming of an age when companies and institutions involved in the subject of finance in the same way as oil companies do to-day. At present many nuclear activities continue to be financed through the public sectors although this was now changing in those western countries where prospects for nuclear power appeared best.

Lord Nelson of Stafford, chairman of GEC, told the conference that the ground for an orderly nuclear industry run in a businesslike manner must be laid now. This would require working in collaboration with other major industrial powers.

"Despite Britain's early involvement and substantial contribution to the pioneering work, it is not credible that the business criteria can be met by the development of a demonstration fast breeder reactor and also go ahead with the SGHWR."

He said that there was a future for coal. There had been a good deal of research looking into new uses for coal as well as technological advances in mining. The new development at Selby would result in production at the colliery several times higher than at present.

Mr. Peter Kelly, a director of the International Energy Agency, said there was a crisis of confidence in nuclear power in which countries were hesitating to make further efforts. "Industrial countries do not have much option in the matter," he said. "A major increase in demand for energy and for imported oil by 1985, even on the assumption of a fairly modest growth rate. Nuclear power would contribute to energy supply."

The conference—which was chaired by Sir George Porter, FRS, a director of the Royal Institution, was opened by Mr. Alex Eadie, Parliamentary Under-Secretary of State for Energy, who took the place of Anthony Wedgwood Benn, the Secretary of State, who was unable to attend.

Other speakers included Dr. Walter Marshall, deputy chairman of the United Kingdom Atomic Energy Authority and Mr. Jan M. Dederlein, director of the Safety Technology Department for the Institute for Atomic Energy in Norway and Sir Brian Flowers, FRS, chairman of the Royal Commission on Environmental Pollution.

## Campaign to defend small businesses

BY JAMES McDONALD

NATIONAL Federation of Employed, which last year was near financial collapse, has been reconstituted more professional help at helm. And, with 46,000 members (out of an estimated 100,000 self-employed people in the country) contributing about 1,000 a year between them, it is aiming to provide the self-employed and independent businesses with a lobby up to about 200.

would, it said yesterday, steps to encourage people to become self-employed and demand that government should ease the pressures that "forced nearly 1m. self-employed out of business in the year."

r. Tony Armstrong, national chairman for the Federation, in London. The self-employed as a body were being squeezed in every way from the "king population and are the object of neglect that would be tolerated by any other form of our present-day community. Training and education

of young people to become self-employed is non-existent.

"Taxation and social security contributions are penal on those who choose to be self-employed. Taxation is a barrier to those who have received by the employed either retirement."

Also, he claimed, the privacy of the self-employed was no longer sacrosanct and the policy of persecution adopted by the Inland Revenue and HM Customs and Excise degrades them to the level of serfdom.

Form filling, taxation, administration and collection were taking more and more time away from productivity.

A manifesto published by the Federation urges: a return to a standard working week of 40 hours for all employees; payment of grants to persons becoming self-employed; investment by employers in their Government training facilities; total exemption on the transfer of a business as a going concern within families and for close companies from capital transfer tax, capital gains tax and wealth tax.

## BANK RETURN

Wednesday 10 July 1976

BANKING DEPARTMENT

LIABILITIES £

Capital 14,553,000

Public Deposits 18,285,771

Special Deposits 8,000,000

Banks 31,234,300

Reserves &amp; Other 402,456,288

Assets 426,456,288

Govt. Securities 1,477,824,340

Advances &amp; Other 254,786,577

Premises, Furniture &amp; Other 33,889,738

Loans 15,745,507

Other 19,057,135

Total 4,264,562,888

LIABILITIES £

Notes Issued 5,249,000,000

In Circulation 5,249,000,000

In Bank 15,745,507

Assets 7,500,000,000

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## CRICKET/THIRD TEST

## GOLF/ROYAL BIRKDALE

BY BEN WRIGHT

## An old-fashioned virtue from Selvey in exciting debut

BY TREVOR BAILEY

NY GREIG has reason to be satisfied with his bowlers removing the powerful West Indian batting line-up for only 111 runs in the first test. Selvey had a fine opening spell. Underwood, as usual, was tight and tidy and Pocock's breaks suggested they are able to prove awkward in the end innings.

England needs a substantial amount of between 100 and 150 runs to have lost two wickets. They have sufficient batting plenty of time to achieve a victory. Selvey kept his bowlers tight and tidy and Pocock's breaks suggested they are able to prove awkward in the end innings.

England's opening pair of Greig and Selvey, both of whom have been in the team since they gained their first test, has been enjoying an outstanding season with Middlesex. Selvey is one of the main reasons why his county have been doing well. His control is good and he has the ability to deliver the ball with the swing and the swing, which are made all the more effective because he is prepared to maintain a full length.

At one o'clock Underwood took over and at once caused problems with his accuracy and also straightened the occasional delivery. From one of these he bowled down at slip, a nasty hard chance, and Greig reached a splendid half-century.

The tourists were 96 for four at the lunch interval and one could not help feeling that England had rather let their opponents off the hook.

Despite various bowling changes, the partnership continued to prosper during the afternoon and passed the three-figure mark. It was ended by Underwood with athletic assistance from his captain. King, who was unable to resist attempting to drive a ball that was not quite there and was caught for 32.

Minutes later Greig reached a fine 100 with a brave lofted drive off Underwood. The ball was caught by Murray, the last credited batsman but the keeper, who has so often proved a stubborn obstacle for bowlers. He did not last long and provided Hendrick with his second wicket and Greig with his second brilliant catch.

At 154 for six, and only the tall remaining to partner Greig, England were in command but they really needed a penetrating fast bowler to blast out the non-batsmen. As it was, Selvey dismissed Holding and then Roberts hung around until the last over before tea, which also saw the introduction of Pocock for the first time.

Strangely, Greig took a single off the first ball and then a single off the next. He was in a bit of a hurry to get to the end of the first day's play.

At 19 for three, West Indies were in serious trouble—but leg trap.

## Now Ballesteros goes six under with another 69

SOUTHPORT, July 8.

SEVERIANO BALLESTEROS, the 18-year-old Spaniard, played a second astonishing round of 69 at Royal Birkdale here today to take the lead at the halfway stage in the 106th Open Championship.

Ballesteros, one of three joint overnight leaders, played brilliantly attacking golf to take today's early lead, the blond San Francisco, Johnny Miller. The Spaniard, relishing every minute, enters today's third round with a six-under-par total for 36 holes of 138, two better than Miller, who today added a record 68 to yesterday's even-par 72.

Finishing like the wind, Ballesteros made brave eagle attempts at the par-five 17th and 18th greens, but had to make do with birdies.

Of those in the clubhouse the prolific American money-winner Hubert Green (72/70) and Charlie O'Connor Jr. (69, 73) are tied at two-under-par, 142, one stroke ahead of the big Scotsman, Brian Barnes (70, 73).

At 144 level par, come Jack Nicklaus (74, 70), Guy Hunt (70, 68), an unknown Texas assistant professional, Carl Higginson (77, 68), George Burns (75, 69), the 1975 runner up, Jack Newton (74, 74), his Australian compatriot Graham Marsh (71, 73) and last but not least of this group, Gary Player of South Africa who has had two eminently sound and steady rounds of 72.

By no means out of it at 149 is Tom Weiskopf and the promising British giant, Martin Foster, while defending champion Tom Watson appears at 147 and another former champion, Bob Charles of New Zealand, at 148.

A fresh and much appreciated breeze from the south-east started once again to dry out the course soon after it had been watered at dawn, so it was immediately obvious that those starting out late would have the worst of the conditions on a course that has taken a pitiless beating from the sun.

In fact, the heat was tempered in mid-afternoon by increasing cloudiness as the wind once again switched to the north-east, so that the temperature was nowhere near as high as yesterday. Still, most of the par fours were accessible in two shots to the longest hitters and of course Miller is one of these.

This most personable looking Mormon is an extraordinary character in that at present he seems quite uninterested in going after glory. By early February he had won in Tucson,

Arizona—the western deserts of America are his favourite hunting ground—and the Bob Hope Desert Classic in Palm Springs. By mid-February he had accumulated \$84,370. After that he amassed only just over \$20,000 until his tenth-place finish in the U.S. Open Championship gave him a total a reasonable boost.

To my certain knowledge Miller is training with weights to increase his muscles in the upper arms, a move that is incomprehensible to many. He opted to play this week with a set of graphite shafted clubs, another incomprehensible decision, since these shafts lead to a certain waywardness to offset the fact that they allow the golfer to hit the ball much further if he waits for it.

Green's drive kicked a little unkindly into the right rough, and he then cut a three wood shot to further into gorse and willow scrub bushes that he rightly deemed impenetrable after he had emerged with four or five splinters in his hand. Green retraced his steps to play two more shots to reach the green, and two more putts for a seven.

He showed his mettle by recording birdies at the last two holes by hitting two shots onto the 17th green and pitching within eight feet of the last. He will be concerned with the finish of this 1st round, since he is afraid of no-one.

I watched his play alongside the neat Australian Marsh whose round of 73 could have been so much better had he not gone to sleep at the 10th, 11th, 12th and 13th holes to drop a stroke to par at each. He played safe with a three iron from the 10th tee, but the ball got such a forward kick off a friendly sandhill that it flew 270 yards into a solitary pot bunker. At the 11th, Marsh was only just off the green to the left after a miserable kick, but this is no man's land.

Marsh thought his six iron shot to the 12th green was good but it kicked left into a bunker, and he finally admitted to a bad drive into sand at the 13th. He hit the top of the bunker with his recovery, and then missed the green on the left. Apart from this his round had few blemishes. He holed long putts for birdies at the 2nd and 4th holes and since he missed shortish ones at the 1st, 3rd and 5th he could have been five-under-par after five holes.

But this is the name of the game in major championships. The players tend to forget that the conditions are the same for all, in that those who start early on the first day will go out later on the second, and that they all virtually make their own luck. There is no luckier player, as Gary Player asserts, than he who works hardest.

Miller's finish was most resolute in the tricky cross winds. He holed from 12 feet after a three iron shot to the heart of the 14th green, 198 yards away. He found the elusive 17th green with his one iron, and took two putts for another birdie. At the last, Miller hit a big drive and a five iron shot to the front of the

green to be four-under-par for the last six holes—a masterly performance that yielded the course record.

Green's round looked immensely promising when he came to the 15th hole, 543 yards long and played with a helping wind blowing from left to right. At this stage the Alabamian, a skinny, chirpy character, was two-under-par for his round, having been at level par overnight.

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He showed his mettle by recording birdies at the last two holes by hitting two shots onto the 17th green and pitching within eight feet of the last. He will be concerned with the finish of this 1st round, since he is afraid of no-one.

I watched his play alongside the neat Australian Marsh whose round of 73 could have been so much better had he not gone to sleep at the 10th, 11th, 12th and 13th holes to drop a stroke to par at each. He played safe with a three iron from the 10th tee, but the ball got such a forward kick off a friendly sandhill that it flew 270 yards into a solitary pot bunker. At the 11th, Marsh was only just off the green to the left after a miserable kick, but this is no man's land.

Marsh thought his six iron shot to the 12th green was good but it kicked left into a bunker, and he finally admitted to a bad drive into sand at the 13th. He hit the top of the bunker with his recovery, and then missed the green on the left. Apart from this his round had few blemishes. He holed long putts for birdies at the 2nd and 4th holes and since he missed shortish ones at the 1st, 3rd and 5th he could have been five-under-par after five holes.

But this is the name of the game in major championships. The players tend to forget that the conditions are the same for all, in that those who start early on the first day will go out later on the second, and that they all virtually make their own luck. There is no luckier player, as Gary Player asserts, than he who works hardest.



Cooling off, hotting up: Australia's Jack Newton (left) drinks iced water on his way to a 36-hole total of 144, while America's Johnny Miller puts his way to a four-under-par 140.

## TENNIS/THE DAVIS CUP

BY JOHN BARRETT

## Taylor grit boosts Britain

THANKS to a typically courageous recovery by Roger Taylor, Britain made a fine start in the European "B" Zone semi-final tie against France at Devonshire Park, Eastbourne, yesterday.

Despite losing the opening set 3-6, following a bizarre refereeing decision in the ninth game, Taylor came back to defeat Patrick Proisy, the 26-year-old third-ranked Frenchman, 3-6, 6-2, 6-3, 6-2, after two hours and four minutes of strenuous play.

Things began badly for Taylor. He failed to win any of the three break-points against Proisy's serve in the opening game, an surrendered his own as he delivered three double-faults, the first of 11 he served during the match.

He squandered another chance to break Proisy's serve in the third game.

Taylor — his first game in an adventurous fourth game that contained his first ace and his fourth double fault. At last there were signs that the blood of battle was beginning to flow in these heavy Yorkshire muscles.

Taylor was covering the court faster, and cleverly mixing shuttled returns with deep lobs that hung in the wind, made Proisy work hard for his points.

Taylor's persistence and his ability to scramble were paying dividends. At 3-5, 30-40 he was again on the threshold of an important recovery. But his persistence was bettered by Proisy, who snatched at his forehead volley and followed through so that his racket and his body hit the net.

To Taylor's surprise, the Belgian referee, Mr. Henri Koninek, did not award the point to Britain as umpire Arthur May wanted to. After a confused discussion lasting two minutes — the Frenchman was shouting from the crowd — a let was played. Taylor, obviously annoyed, lost two quick points, and the first set disappeared.

Taylor's sense of injustice only sharpened his resolve. Serving with greater confidence and diving in all directions for some acrobatic volleys, he began to unsettle Proisy, who failed to win a point when his serve was broken in the fourth game of the second set.

Two games later Proisy was three times within a point of losing his serve, which would have put him 1-5 behind. But two good deliveries and a delicate backhand drop-shot saved him, hoping for.

It was Taylor's turn to struggle. Five times he slaved off break points, and his iron resolve was apparent in every action as he served and volleyed, scrambled, and smote his way out of trouble, to move to 5-2.

Proisy has always been prone to nervous errors in tense situations, and he was clearly ill at ease on grass, which few Continentals relish. As Taylor crowded in behind a return, Proisy's volley flew wide, and the Yorkshireman levelled when another French backhand volley fell beyond the baseline.

Taylor was now in control, knowing that even in desperate moments—and there were one or two more—his nerve was the stronger. Proisy seemed to acknowledge this when, hitting harder now but unavailingly, he fell 1-4 and then 2-5 behind in the third set. Although he did hold serve in the eighth game, he could do nothing to prevent Britain from taking a two sets to one lead.

The fourth set followed a similar pattern. Two breaks gave Taylor 3-2 lead, and he duly held his own delivery in the next game to give Britain the sort of start captain Paul Hutchins had been hoping for.



# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## PROCESSING

### Big pipes cleaned fast

MANUFACTURERS of large diameter pipes of the types used in the offshore oil and gas industries could find themselves studying the advantages of installing a newly developed high speed blast cleaning plant.

Main advantage of this plant is that it will clean pipes up to 84 inches diameter, both inside and out, at speeds which will match the throughput of the latest high speed coating equipment. As the size of pipes increases so does the need for protection against corrosion and while the coatings now available are of very high quality, their life expectancy is still relatively short. The plant is designed to treat the surfaces to which they are applied.

Vacu-Blast—an Allied Polymer Group company—seeking more outlets for its expertise in the cleaning of very large metal fabrications, has been studying the pipe-cleaning question and

in conjunction with a leading Dutch consultancy, Selmers Engineering of Haarlem, has now designed blast-cleaning plants which will deal with pipes between 24 and 84 inches in diameter. This is at speeds previously unobtainable, says Ian MacGregor, Vacu-Blast's marketing director.

Pipes may be treated one at a time or in multiples, according to the needs of the manufacturer, and Vacu-Blast claims as an example that pipes with diameters exceeding 84 inches can be simultaneously blast cleaned internally and externally to the Swedish Standard SA2 at 2,400 square metres an hour.

Where diameters are less the cleaning rate is higher or, by using slower rates, higher standards of finish can be achieved.

The new plants, which will use angular chilled cast iron grit as the cleaning medium and blow it at the pipes at high pressure to remove dirt, scale and other surface defects, are

to include feed, storage and discharge tables with devices to ensure controlled movement of the pipes.

Skew conveyors for combined longitudinal and rotary movements, manipulators for rotary

motion only and a tilting bridge to discharge spent abrasive from inside a cleaned tube, are all major components of the Vacu-Blast/Selmers designs. Only two operators are required to control a plant for both internal and external cleaning.

It is understood that negotiations for the sale of the first plant are now under way and production at its works in Ajax Avenue, Slough, Bucks (Slough 26511).

Basically it is an inclined mesh drum which rotates at 10-12 rpm and is fitted internally with a series of helical knives (interchangeable for plastic or paper sacks). Full bags are fed into the drum at the higher end and as they tumble down the mesh the knives slit them open.

The contents pour through the mesh on to a vibrating screen, which collects any small pieces of bag or other foreign matter, and thence into a hopper. The remains of the sacks are discharged at the end of the drum.

The maker says the only stipulation for effective emptying is that the material is free running and contains no large unbreakable lumps. Wastage is said to be less than 1 per cent. Power consumption is less than 4kW.

Conveyors, chutes, tilting feed tables, and filters are among the optional equipment available to make the installation semi or fully automatic.

Details from Kockums Industries, Boyl Valley Industrial Estate, Maidenhead, Berks. SL6 4EH (0628 39944).

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### Swiss made airless paint spray

DESIGNED FOR the contracting with an explosion proof motor, A 4 hp petrol driven version is also available.

Fitted with a top-mounted container holding up to 35 litres (alternatively a syphon hose), the equipment is supplied with delivery hose, airless gun, and Titan tip for varying the spray rate and delivery rate.

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## HANDLING

### Dust-free powder bag emptier

SACKS OF powdered materials can be expensive in labour to handle and open. Material waste and airborne dust are additional problems.

The Swedish company, Kockums, claims to have overcome these difficulties with a bag emptier which has a capacity of up to 400 bags/hour.

Basically it is an inclined mesh drum which rotates at 10-12 rpm and is fitted internally with a series of helical knives (interchangeable for plastic or paper sacks). Full bags are fed into the drum at the higher end and as they tumble down the mesh the knives slit them open.

The contents pour through the mesh on to a vibrating screen, which collects any small pieces of bag or other foreign matter, and thence into a hopper. The remains of the sacks are discharged at the end of the drum.

The maker says the only stipulation for effective emptying is that the material is free running and contains no large unbreakable lumps. Wastage is said to be less than 1 per cent. Power consumption is less than 4kW.

Conveyors, chutes, tilting feed tables, and filters are among the optional equipment available to make the installation semi or fully automatic.

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## COMPUTING

### Print-out lasts a long time

WHILE protagonists of COM (computer output on microfilm) are urging everyone to turn their computer output into microfilm, Norprint has decided to offer a "virtually indestructible" computer print-out paper.

Called Tyvek, it is complete polymer material which is almost completely rot-proof, resistant to oil and grease, and dimensionally stable; yet it can be printed and written on like paper.

Sheets of the material can be incorporated within a set of continuous stationery for use on all makes of output printers. It can also be supplied with stringing holes, self-adhesive backing, tear-off perforations and other features.

Likely applications, states the company, are in labelling, machine shop instruction sheets and parts lists produced by computer. More from Norprint Darley Division, Wellington Road, Burton-upon-Trent, Staffs. (0205 65161).

Likely applications, states the company, are in labelling, machine shop



# FINANCIAL TIMES SURVEY

Friday July 9 1976

Model  
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## Bahamas

In its three years as an independent nation the Bahamas has made steady if unspectacular progress. Situated in a region where many of its larger island neighbours are beset with problems, the country has a quiet air of well-being.

John McCaughy

JAMAICA and elsewhere in the Caribbean the expression "model of stability" is currently being used to describe the Bahamas. That is so in the Bahamas, where word at the tip of every tongue — especially Governmental — is stability. The Minister Lynden Pindling, the maintenance of "the country as his greatest achievement, and few observers he country have any substantial argument with his claim. Three years after independence, the country of 700 islands some 2,000 cays and rocks model of political calm in an increasingly volatile Caribbean. Bahamians have the best standard of living in the Caribbean and the lowest inflation

he economy has survived the worldwide recession surprisingly well, and since December country's external reserves have risen from \$840m. to a record \$866m. An additional \$1m. is held in the IMF's gold

at home there has been a with in the money supply of \$211.2m. in 1974 to \$272m. (Bahamian dollar = dollar) at the end of 1975, her surprisingly, almost all growth occurred in fixed assets. One of the inexplicable paradoxes of the Bahamian situation is that in the midst of recession and double digit inflation (now down to 4.05 per cent.) total savings in 1975 rose 23.7m. — an increase of 20.5 per cent. By mid-May this year, mestic deposits totalled \$5m. In external affairs, things are ing very much the Govern-

ment's way as well. The Bahamas has participated actively in the Law of the Sea Conference and is confident that the Conference will accept the August the "archipelagic principle." This would give the country a 12-mile territorial sea, measured outwards from a baseline embracing the archipelago and a 200-mile exclusive economic zone.

Exploration for oil on the seabed, which started in the 1950s, has been accelerated recently and a number of companies are seeking exploration licences.

The Bahamas' relations with the U.S. continue to be excellent, despite passing tensions created last year over fishing of Bahamian lobster banks by Cuban refugees living in south Florida, despite the somewhat James Bond-like activities of the U.S. Internal Revenue Service in attempting to breach Bahamian bank secrecy laws in order to provide evidence against American tax evaders, and despite the continuing negotiations over the rentals paid by the U.S. for the four bases, including a missile tracking station, that it maintains in the country.

### Distant

Relations with Cuba, by contrast, are polite but distant. Ambassadors are exchanged at UN level but there has been no interest in setting up embassies in the respective capitals, and approaches made by the Castro Government last year over a lobster fishing agreement were diplomatically but firmly ignored.

Apart from well-mannered expressions of regret at the troubles, along with worries that these might adversely affect tourism to the Bahamas, the Government has taken little interest in Jamaica's problems. From a foreign policy point of view, the Bahamas is largely minding its own business. External Affairs Minister Paul Adderley sees his task largely as the post-independence one of plugging the Bahamas into the various world bodies and organisations and can divine no contentious issues on the horizon to disturb the air-conditioned calm in which he copes with his heavy flow of paperwork.

Meanwhile, the personal popularity of 46-year-old Prime Minister Pindling remains remarkably high among Bahamians. Even his political opponents readily acknowledge his political skills, appetite for hard work and charismatic appeal to voters. For these reasons among others he is likely to win the next election, which he must call by September of next year at the latest.

This rosy picture, however, is not without its drawbacks. Unemployment jumped from 8.6 per cent. in 1973 to 21.2 per cent. last year, and the figure may currently be even higher because of the failure of many who are out of work to register at employment exchanges. A bulge of some 5,000 school leavers at the end of last month will worsen the figures and will do nothing to reduce the Government's worry over the situation.

More than 60 per cent. of the Bahamas' population is under

25, and unemployment is at its peak in that age group. One estimate by the Department of Statistics says that the under-25s could account for almost half the jobless total. There is no income-tax in the Bahamas, but neither is there any unemployment pay or British-style social security payment. A National Insurance scheme started in 1974 supplies death, sickness and injury benefits but will not begin to provide retirement benefits until next year.

What has been termed "a certain misdirection" in the Government's educational policies has aggravated the unemployment situation. After Mr. Pindling's Progressive Liberal Party ousted the old White United Bahamian Party in the landmark 1967 election, it embarked on a massive school-building programme. The programme is now virtually complete and has been a considerable success. It is so much of a success, some say, that the Bahamas is in danger of becoming a net exporter of educated people who cannot find jobs within the economy and are not trained to fill the country's need for accountants, doctors and other professionals.

The island of New Providence, in particular, has also been suffering in recent years from a severe water shortage that has led to cut-offs of 16-18 hours a day in many homes. Half the country's population lives in New Providence, and this overcrowding, along with inadequate reservoirs and the nature of the Bahamas (a nation of islands with a small land mass and no rivers) is

largely responsible for the shortage. The eight-year-old desalination plant on New Providence often breaks down, and desalination as a means of water supply in the Bahamas has failed to repay the millions of dollars lavished on it over the years.

### Barge

An alleviation of the shortage is now being sought by bringing in water by barge from the neighbouring island of Andros, and it is hoped that this will boost water input by some 3m. gallons daily. A World Bank loan of \$32m. will be applied to the project and to studies aimed at finding a long-term answer. A reverse osmosis plant is being built on New Providence and other — as yet undetermined — methods will, it is hoped, eventually afford round-the-clock water and adequate sewage facilities to the increasingly impatient citizens of the island.

Other irritants continue to prey at Mr. Pindling's carefully-nourished stability. Allegations of corruption — made both at home and in the U.S. media — are almost as much of a burden to his Government as they were to the old (now disbanded) United Bahamian Party. The Nassau Tribune — one of the capital's two newspapers and an intemperately anti-Government organ — loses no opportunity to ventilate the latest charges of high-level malfeasance.

The crime rate is rising despite vigorous police action and the presence of a newly-formed "Beach Warden" force

that patrols all public and some private beaches. Official estimates that the crimes are the work of Jamaican immigrants or that they are carried out by a tiny but highly daring and hard-working group of desperadoes does less than fully explain the increase.

The proximity of the United States has inevitably led to the importation of many of that country's social problems. Firearms are being employed much more frequently in crimes, and marihuana smoking has become as worrisome a trend among young Bahamians as alcohol consumption looked like becoming among their elders.

Far and away the most serious problem facing the Bahamas at the moment, however, is the population growth, which is now running at 3.6 per cent. annually and shows no sign of slackening. The Bahamian economy cannot sustain a growth rate of this order and, as one foreign diplomat in Nassau put it, "the Bahamians, like people in other developing countries, don't quite realise how swiftly a problem like this can change from being a minor to a major one."

The high birth rate could soon begin dangerously to overburden Bahamian health and education facilities, and this is the joker in the pack of cards that has been dealt to the Government planners. The Government will eventually be forced to take a lead in instituting a birth control programme, but the likelihood of its doing so for some time seems remote. Negligible emigration by Bahamians and the influx

(mostly illegal) of many Jamaicans and Haitians is worsening the situation. Ironically, the country is a big exporter of steroids — one of the key ingredients in birth control pills. In other areas of planning, though, the Government's goals are being pursued with considerable success. A ten-year social and economic development plan, which has been promised for a number of years, should be put before the House of Assembly shortly and is eagerly awaited.

The Bahamianisation programme — aimed at giving Bahamians 60 per cent. ownership of businesses in the country — is progressing steadily and has already had considerable effect at the staffing level in the tourism and banking sectors.

### Guarantee

The Bahamas Development Bank is being capitalised this year with \$3m. raised as part of a \$25m. Government stock offer, and the U.S. Agency for International Development (AID) has put a further \$800,000 on deposit with the Central Bank to guarantee loans made by the commercial banks or the Development Bank to farmers and businessmen in agriculture-related projects.

Any Government that has run its term generates dissatisfaction because it has not solved all the problems or met all the aspirations, but, even so, Prime Minister Pindling can face next year's election with equanimity. Although representation in Parliament (where the Government holds 29 of the 33 seats) does not reflect the 42 per cent. of the vote that the Opposition

won in the 1972 election, the opposing Free National Movement and independent MPs are divided, and the FNM leader Mr. Wallace Whitefield does not currently have a seat in the House.

Mr. Pindling may not win by the landslide that he hopes for but he seems certain to get in for another term with a reduced majority. The large number of young people who have qualified for the vote since 1972 (when the electorate numbered 57,000) are, despite their high level of unemployment, curiously apathetic to politics, and many have not registered for the polls.

In addition, work should begin soon on various schemes — like the construction of a casino and convention centre on Cable Beach in Nassau — and these will mop up a lot of unemployment in the under-25 sector. The water-shortage crisis will be eased by election time and the wily Mr. Pindling has a number of other carefully-orchestrated plans in hand that are likely to reach fruition at a politically convenient time.

The Bahamas may not be "The Paradise of the Western World" that the tourism posters immodestly proclaim it to be, but in Caribbean terms it has much to envy and to be grateful for. The wry assessment of the economy advanced by the sophisticated Governor of the Central Bank could perhaps be extended to cover the nation's mood at the moment. "We get the idea that we're not doing that badly..." murmurs Mr. Tim Donaldson with a smile. "So we don't make too much noise."

BASIC STATISTICS	
Land area:	5,353 sq. miles (700 islands, 30 inhabited)
Population (est.)	202,000
TRADE (1975)	
Imports	\$B1.6bn.
Exports	\$B3.4bn.
Imports from U.K.	\$B34.9m.
Exports to U.K.	\$B24m.
CURRENCY	
Bahamian dollar	£1 = \$B1.30

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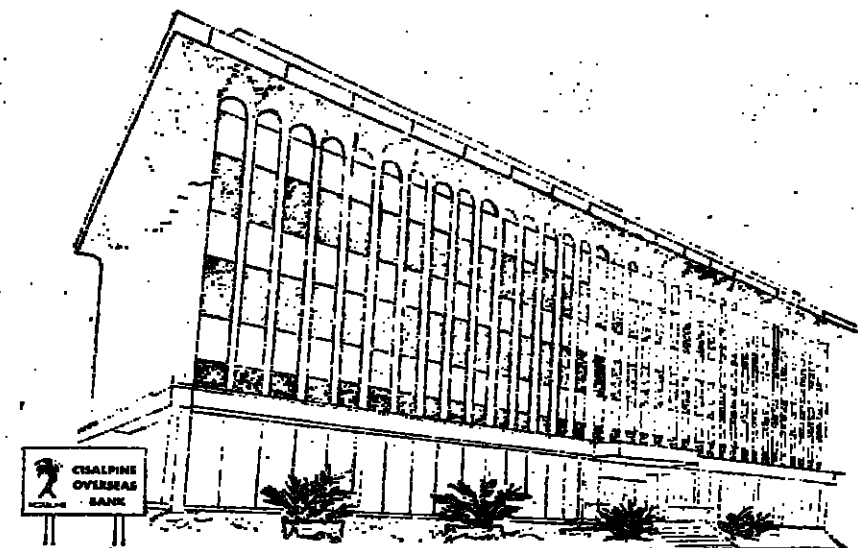
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Balance Sheet at December 31, 1975

Cash and due from banks	US\$101,624,181	Time deposits	US\$394,263,156
Time deposits	167,800,858	Accrued interest, Commissions and other accounts	6,429,775
Accrued interest, commissions and other accounts	6,089,593	Proposed dividend	900,000
Securities	10,404,327	Shareholders' equity*	23,181,311
Loans and advances	139,055,283		
	US\$424,774,242		US\$424,774,242

\*A capital increase took place on April 20, 1976 and increased equity by \$4.5 million.

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La Centrale Finanziaria Generale S.p.A.	Milan
Toro Assicurazioni	Turin
Ultrafin A.G.	Zurich
Ultrafin International Corporation	New York



## BAHAMAS II

# Growing appeal as a financial centre

WHEN THE Government decided without warning last December to quadruple company registration fees for non-Bahamian companies, there was serious concern about the effect this would have on the Bahamas' competitive position as an offshore financial centre. The banks and trust companies are now generally agreed that while the \$81,000 fee may act as a deterrent to some new business, the repercussions have been surprisingly limited. Admittedly the increase has forced out a number of dormant "shell" companies, but for the existing investor actively seeking to minimise his tax burden, the Bahamas still appears a very attractive site from which to do business.

Precautions are being taken nonetheless. Mindful of the Bahamas' pre-independence business decline, a number of the larger trust companies are either opening or expanding affiliate offices in Panama. Some clients, they say, are worried about the prospects of further increases and are seeking other alternatives.

Equally worrying, particularly for the trust companies, is the increase in immigration fees from a maximum of \$500 to between \$3,000 and \$5,000 annually for key bank, trust and accounting personnel. One prominent trust officer calculated that the increase would cost his company an additional \$84,000 a year, an increase of 9 per cent in his budget or 22 per cent of last year's profit. The net effect, it is felt, will be to make it more costly to service business from Nassau.

## Cheaper

Still, the Bahamas is considerably cheaper than London, where a minimum bank branch operation can cost \$250,000 a year compared to \$10,000 in Nassau. Several U.S. banks that had their external currency fund operations centred in London are in the process of moving them to the Bahamas. "While this may not be a shift in number, it does reflect a trend," says the Governor of the Central Bank, Mr. T. Baswell Donaldson.

Other changes on the European scene are also having their effect in the Bahamas. The trust companies report a definite expansion in business from Europe and particularly out of Switzerland. They attribute this to a fear of the increasingly leftist trend in those countries, the very high price of doing business in Switzerland and concern that the EEC nations will continue their pressure on the Swiss banking system to forgo some of its secrecy provisions.

A number of similar attempts have been made by the U.S. Internal Revenue Service (IRS) to obtain client information from Bahamian banks and trust companies. Information given before a U.S. House of Representatives subcommittee last year revealed that the IRS has been trying for ten years to breach the Bahamas' bank secrecy laws. The investigation, code-named Operation Trade Winds and Haven, was intended to discover the names of prominent Americans seeking to evade taxes by holding accounts in the Bahamas and Cayman Islands branches of Castle Bank and Trust Company. Later testimony before the House committee disclosed that in one instance IRS agents had illegally removed certain of the bank's documents from the briefcase of a Nassau branch officer while the bank official was on a visit to Miami.

The Bahamas Government, which has been aware since 1972 of the IRS's activities, has lodged strong protests with the U.S. Government. It is particularly resentful of the attempt to label the Bahamas as a haven for tax evaders. "Tax evasion is not at all a proper activity for a tax haven and it is certainly not encouraged in the Bahamas," the Prime Minister, Mr. Lynden Pindling, has emphasised.

The distinction needs to be made, he says, between a perfectly legitimate effort to minimise taxes and an attempt to evade tax liability. It is very doubtful, in fact, that much illegal business now finds its way to the Bahamas. Most of the trust companies shy away from such involvement and will not deal with a client unless his activities are bona fide.

Nevertheless the U.S. and member countries of the EEC can be expected to accelerate efforts to prevent tax avoidance by their nationals through the use of tax havens, warns tax expert Marshall J. Langer.

The Bahamas Government hopes by the end of the year to introduce a revision of bank and trust company legislation that will put beyond any shadow of doubt the Common Law relationship between bank and client. A test case being carefully watched however, concerns Castle Bank's Caymanian manager who was subpoenaed while in the U.S. and ordered to testify before a grand jury about his bank's American clients. He refused and was cited for contempt. His appeal has since been rejected, raising the possibility of similar action by American authorities against Bahamian bank and trust company officials.

## Effort

Well aware of the country's vulnerability as an offshore financial centre, the Central Bank has made a determined effort to weed out suspect operations. Of the nearly 40 financial institutions that withdrew from the Bahamas over the last three years, half had their licences revoked for "highly questionable" dealings. A number of other small companies left when removal of the Interest Equalisation Tax made it no longer advantageous to conduct their Eurodollar business from abroad.

There are 265 banks and trust companies doing business in or from the Bahamas at present. Among the active offshore banks and trust companies, approximately 55 per cent are of U.S. origin, while the next largest groups are Canadian, Swiss and Italian. There are also a number of multi-national consortium banks. Nassau's popularity as an international financial centre has been clearly related to the Eurocurrency business. Of the 90 Eurocurrency branches of foreign banks, 77 represent American banks. With Euro-currency having a period of controlled expansion after the difficulties of late 1974, the

Bahamas should expect a proportionate increase in the volume of Eurocurrency transactions flowing through the islands. Furthermore, there is a decided trend on the part of many foreign tax authorities to require that offshore operations be genuinely conducted from abroad rather than at head office. This should mean the expansion of a number of offshore branches and subsidiaries and increased employment for Bahamians.

Generally speaking, the banks and trust companies have already made considerable headway in providing local employment. Of the 2,000 people estimated to be working in banks and trust companies in the country, 95 per cent are Bahamian. But the Government, it is felt, does not fully recognise that there will never be enough qualified Bahamians available to fill certain job categories within the industry. Certainly there is a dearth of Bahamians in accountancy. Of the 300 qualified accountants in the Bahamas, only 20 are Bahamians. With immigration fees of \$3,500 per person, the larger accountancy firms anticipate some \$100,000 a year in added cost.

In trying to assess the prospects for the future, one needs to consider internal as well as external factors. Internally, the present favourable legislation and economic and political framework for offshore banking in the Bahamas is likely to be maintained. Offshore firms, on the other hand, can expect to be asked to make a more direct contribution to the country's economic development.

The Government has said the additional revenue from company and immigration fees is needed to advance its programme for making the Bahamas economically self-sufficient within ten years. Short of income tax, ruled out by the Bahamas' tax haven status, the only alternative was to place the burden on those more able to bear it, the Finance Minister, Mr. Arthur Hanna, told Parliament.

The financial sector has reacted pragmatically. Many within the industry are indeed sympathetic to the Government's position. This year for the first time, the commercial banks, working in conjunction with the Central Bank, have agreed to make farm loans available in order to assist in the Government's efforts to expand agricultural production. To aid the training of their employees, the banks and trust companies last year founded the Bahamas Institute of Bankers. It offered its first courses last autumn through the College of the Bahamas. The response has been enthusiastic, particularly from women employees, who have outnumbered the men almost two to one.

Philosophical differences with the Government notwithstanding, offshore firms in the Bahamas readily acknowledge the country's superior advantages compared to other tax shelters. Its expertise in handling trust and custody business is unequalled, they feel. Equally important has been the demonstration of economic and political stability at a time when supposedly stronger nations are foundering.

Very shortly the Government will introduce legislation that will establish the Bahamas as the newest "flag of convenience" nation. The country's tax advantages, superb climate and excellent banking and resort facilities should have special appeal for shipowners wishing to transfer their headquarters. Another development likely to make the Bahamas even more attractive as a tax sanctuary is the proposed change in company law. This will involve still more incentives for offshore companies to seek Bahamian domicile.

Nicki Kelly  
Nassau Correspondent

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## Property market begins to pick up

IN THE THREE years since property transactions. They will have to pay tax on un- developed land, holdings in the Bahamas. Nassau and the out islands as property. Developers report well as on developed out island properties while Bahamians continue to remain exempt.

It is still somewhat early to tell what effect the new taxes will have. Such Government real estate taxes and fees for non-nationals are not unique, and the general view is that in the long run adjustments will be made between buyer and seller to accommodate their impact and that no adverse trend will result.

Bahamian real estate, like that in the Caribbean and other resort areas, experienced a rapid appreciation in value during the 1960s, fuelled largely by speculative land buying in the out islands. Because of world-wide economic problems and the change to independence, the market price of Bahamian real estate has tended to level off in the past two years and in fact decreased. "We do not anticipate any basis for a broad price advance in the next 12 to 18 months," says Leland P. Krebs Jr., vice-president of Previews, the international real estate marketing group.

The new taxes notwithstanding, many brokers maintain that the value received for a Bahamian property not only compares favourably with those in other warm weather retreats, but in many instances is a great deal less expensive. This, they say, is particularly true in Nassau prices with more than \$1m. in new sales monthly in Florida, where costs are two to three times higher.

Construction in Nassau has been at a very low level for several years, but the departure of many expatriates over the last four years has brought a number of choice houses on the market. Real estate agents report a brisk business for select homes in the \$40,000 to \$200,000 built principally as vacation homes. These prices are still 30 per cent below replacement costs. They predict substantial increases in the next year or so, however, as quality homes to add 500 to 700 lots to the once again become scarce. 1,400 already laid out. Virtually since 1971 there has been a all the earlier lots have been

CONTINUED ON NEXT PAGE

6/11/76



## BAHAMAS III

# Agriculture is a top development priority

ESSING HIS party's position last October, Prime Minister Mr. Lynden Pindling said that it was his government's intention to achieve economic independence for the Bahamas within the next five years. In pursuit of that aim, the Government has set a goal of 1980 as its target for the Bahamas self-sufficiency in food production.

Optimism seems scarcely warranted, considering that the total food bill exceeds \$65m. annually and that only 20 per cent of the country's needs is met locally. Spurred, however, by the world-wide food crisis, the Government is giving agriculture and fisheries the same priority as tourism and banking. An initiative has been set up by the findings from land and ocean resource surveys, have demonstrated that land can be agriculturally productive and that while there are no vast fisheries resources comparable to those of the northern temperate zones, the total catch, particularly for deep water fish, can be extended several fold without depleting the resources.

Improved production centres, a comprehensive five-year plan that focuses on agriculture, livestock development, but with special emphasis on the small-scale farmer and fisherman. For the time also, funds have been made more readily available through the Ministry of Agriculture and Fisheries for land, credit, agricultural equipment, technical assistance and the improvement of marketing facilities.

**nk** The Bahamas Development Corporation, established in 1974, is capitalised this year with a raised as part of a \$25m. government stock offer. The Agency for International Development (AID), has put a further \$800,000 on deposit with Central Bank to guarantee loans made by the commercial banks or the Development Bank recommended farmers and engaged in agro-industry co-operation.

The Government has adopted a phased approach to the development of agriculture. The first, underway, is designed to top and expand traditional farming in those areas where it is limited. The second will involve large-scale mechanised farming where sufficient acreage is available. Based on the findings of the land resources survey, the country has been divided into crop zones, and agriculturally suitable Crown land on a number of islands has been subdivided into five units for lease to farmers. In addition to other forms of assistance, improved farming techniques are being taught through expanding technical training programmes that now includes the posting of agricultural assistants to the various producing islands. Last year the Government became an active participant in farming business when it purchased the Harrisville farm, whose Hatchet Bay station has for 30 years been of the market's principal source of milk and poultry. The purchase, which includes 2,500 acres of prime agricultural land, was described by the Prime Minister as a first step towards national self-sufficiency and self-reliance. It is held by the newly-created



Fishermen seek a mooring alongside the vegetable and fruit sellers in Nassau harbour. Government programmes lay special emphasis on helping fishermen and small farmers.

Bahamas Agricultural Corporation, Hatchet Bay has been showing a healthy cash flow increase, and plans are being made to expand poultry production and add pig husbandry. One of the major obstacles to better agricultural production has been the completely inadequate marketing system. The lack of proper marketing facilities and outlets has in the past resulted in substantial losses. This year the Ministry of Agriculture and Fisheries is giving special attention to this aspect. Five packing houses to be completed in time for next season will, for the first time, enable island farmers to sell on site to the Ministry and save shipping costs.

An unexpected setback in the Government's agricultural plans has been the late discovery that 12 per cent of the 100,000 acres pinpointed on the islands of Abaco, Andros and Grand Bahama as "prime cultivable and commercially desirable land" is held by private offshore companies under lengthy lease agreements negotiated by the former United Bahamian Party government. Much of this land is not being used. The Government is now in the process of reclaiming 2,000 acres annually. It is proposed that these holdings, together with large areas of Government-owned land, be put into production through the development of co-operative farms. The necessary co-operative legislation was passed in 1974 and six such groups are already functioning.

The decision, however, which is likely to have the greatest impact on agriculture in the Bahamas is the \$10m. BARTAD project established in 1973 as a joint undertaking of AID and the Bahamas government. The purpose of the five-year programme is to investigate the possibility of establishing a viable agricultural industry that would include beef cattle, dairy, sheep, goats, swine, poultry production and all aspects of vegetable, citrus and grain production.

Located on 2,000 acres of Government land, BARTAD comprises a research and training centre and 16 80-acre demonstration farms. Research is at present being done in land clearance, soils, water, forage crops, livestock, farm management, credit guarantees and agricultural co-operatives. A primary consideration is finding the right agricultural ingredients for family-type farms so that they can operate principally as livestock producers with suitable fruit and vegetable crops integrated into each farming system.

AID's association with BARTAD is due to phase out in 1978 but its programme of research and training will continue under the direction of the Ministry of Agriculture and Fisheries. The biggest obstacle to the programme's success initially was the lack of professional Bahamians to

carry on management, research and development of the scheme. This problem is now virtually solved. The demand for places is already greater than can be accommodated. Many of BARTAD's research activities are applied at the Government's eight-year-old Agricultural Station, which also carries on a number of its own research projects. The station's pig husbandry programme has had a dramatic impact on the industry. It has shown that although the Bahamas must now import over \$20m. worth of meat and meat products annually, first-class pork can be raised locally. Starting from scratch, pig farmers now supply 16-18 per cent of the fresh pork market.

As with agriculture, fisheries development has been stifled in the past by a shortage of capital, lack of expertise and poor marketing facilities. More important, however, has been the aggressive invasion of Bahamian waters by Cuban-American fishermen out of Florida. It is estimated that between 1970 and 1974 the Cuban-Americans took an average of 6m. lbs of spiny lobster (crawfish) off the Bahamas banks annually—more than twice the amount landed by Bahamian fishermen.

Two years ago the Bahamas Government issued an order designating the spiny, slipper and spotted lobster a creature of the Bahamas Continental Shelf. Its effect has been to put 10,000 square miles of the most lucrative lobster fishing grounds off limits to Florida commercial fishermen. A U.S. request for fishing rights was subsequently rejected and the Government has stated that, as a matter of policy, fishing in the Bahamas will be reserved exclusively for Bahamians. American authorities, which have similar legislation covering the Maine lobster, have respected the Bahamas Order.

### Export

Although crawfish is the only fish export at present, a three-year UN Development Planning Programme has determined that snapper and grouper also have good market potential in the Bahamas and overseas. Demonstrations by the UN fisheries vessel Fregata have shown that electric reels will allow fishing to depths of 200 fathoms, thus exploring the deep water off the banks that have up to now been out of reach of the traditional Bahamian fisherman.

A number of boats have begun using the Fregata's technology to catch deep water snapper but the survey team has pointed out that certain new facilities will be needed in Nassau and the outer islands if fishing is to become profitable. These are: a modern hygienic fish-handling and marketing complex where the fisherman can offload and sell his catch quickly; the development of a modern fleet of small vessels for crawfish and snapper fishing; the development of modern hygienic pro-

cessing plants throughout the country and the establishment in various islands of small holding rooms with cold storage facilities that can serve both farmer and fisherman.

All these recommendations are now in various stages of execution. Engineering work on the site of the fish complex has begun and construction should start early next year. Five holding stations are being completed and a number of processing plants have already been built. A food technology unit

has also been established by the Ministry to advise on areas of processing that can be profitably exploited. With activation of the Development Bank, the government hopes to provide credit arrangements for small fishermen to obtain better fishing vessels.

In the final analysis however, public attitude will determine the success or failure of the Government's food production programme. Since the booming sixties Bahamians have not looked kindly on a return to the soil and the sea. Circumstances may be changing that outlook.

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N.K.

### Property

CONTINUED FROM PREVIOUS PAGE

says Flamingo's executive take over and ready the resort president Harry W. Hall, for the coming season. Hall also notes the upsurge in interest over the past activity, a number of property buyers. Most of those developers have suggested that the Bahamas will not experience the Dutch and Swiss, full economic recovery until a strong Canadian there is major construction for the resort market. One proposal for the resort is by Canadian investors in the Berry recommended by Lyndon Cay resort in litigation for a year. It is that E. P. Taylor is that of the woods. An as yet the Government make it a named buyer has offered \$3m. matter of policy to grant purchase the development permanent residence to retirees on a conservatively est. with a guaranteed income of \$20m. The offer has \$12-15,000. In favourably considered by The Prime Minister. Mr. Government, which would Lynden Pindling, has stated to see the resort go ahead. However, that the Bahamas is at Harbour Cay was put on not interested in this category. Auction block last August. The main reason is believed to the Walter E. Heller Com. be the political implications of a \$25m. debt by should these persons at a later date. Real estate agents seek quality as citizens of the Cay. The perspective is in fact difficult to say ver is said to be anxious to at this stage how many pro-

pective property buyers would actually wish to seek Bahamian residency. The Government has stipulated a \$5,000 permanent residency fee to include all members of household, and a \$1,000 annual residence charge with each dependent paying an additional \$20. Most foreigners however are seeking a vacation home and as tourists can remain for up to eight months at a time at no cost. But still the important consideration must be the degree to which they are made welcome. In the past the Government's intentions have not been made clear to investors and an unsettled atmosphere has developed. Says Previews vice-president Leland P. Krebs, Jr. "This has clearly been a stumbling block for commercial and resort development although perhaps not as important to the second home buyer."

N.K.







BAHAMAS V

# Recession hits industrial plans

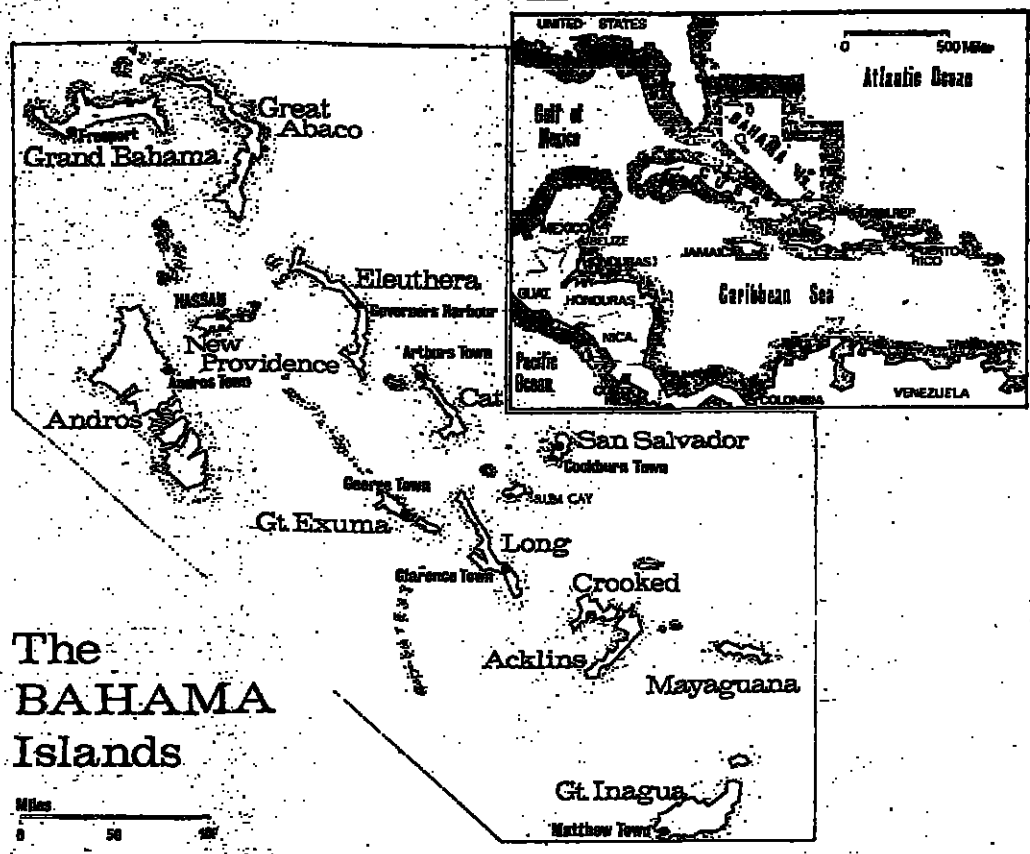
CRISIS and recession have heavily hit the Bahamas' plans for economic development. Hardest hit have been plans to develop an oil refinery from which the government had hoped to receive more than \$250m. over the next five years of independence.

the British-owned oil terminal, built as a venture with Government, the U.S.-owned Bahamas Oil Refining Company (BORCO), is principally by New Providence, are suffering, and plans by two companies to build a \$55m. terminal was to be the nucleus of a major chemical complex on the 3,000-acre Grand Bahama Industrial Estate, as a joint venture between the Government-owned Development Corporation and Seabulk International of Florida. It was to be managed by Seabulk on a 20-year commission by Burmah to use the refinery. When Seabulk pulled out in 1973 for financial reasons, the Government undertook to fulfil the commitment and serve as a major terminal for the \$55m. terminal loan made to Government by the Royal Bank of Canada.

the year oil companies stung by the Arab embargo, escalating fuel prices and a worldwide recession, Burmah, meantime, started having financial difficulties. The terminal came on stream in January 1975 and the loan was repaid by Government from royalties earned over a 20-year period.

the terminal is however being hit by a loss even though fuel demand is now at record levels. Hit by the slump in the tanker market, oil firms are finding it cheaper to use VLCCs as floating storage rather than pay the 15¢ a barrel holding charge on the terminal.

the result is that only 36m. barrels are being put through the terminal.



The BAHAMA Islands

the terminal against a capacity of 150m. In contrast it is estimated that over 100m. barrels are being shuttled ship-to-ship, representing a significant loss of revenue for Burmah and the Government and posing the constant and very real danger of a major oil spill that could destroy large segments of Bahamian beach and marine life.

It was originally estimated the terminal would produce \$3m. in royalties during its first 12 months of operation last year. This has been scaled down to \$2m. this year but it is highly unlikely even that sum will be realised. Burmah is at present servicing the debt as well as meeting the operational costs of the terminal. There is no expectation the situation will improve until 1978 and then only until 1982 when Lagoon and Seadock facilities come into use by the U.S. Should these be postponed, demand for the Burmah terminal will in all probability continue.

prepared to assist BORCO by pointing out to U.S. authorities the importance of the oil company to the Bahamian economy. Reduced production has affected both employment and BORCO's plans for expansion.

In the wake of the energy crisis, Kadar Canadian Oils of Frankfurt and Dusseldorf's Thyssen Stahlunion Technik have cancelled plans to build a \$380m. refinery on the Industrial Estate as has Swiss Atlantic Terminal and Tanker Services which proposed to put up a \$470m. terminal/refinery.

The Government has not given up its plans for developing a petroleum industry in the Bahamas "but the emphasis has shifted to the point where even private investors are encouraging us to get into a government-to-government relationship as the only way of obtaining long-term commitments for crude," says the Minister of Development, Mr. Alfred Maycock.

Oil companies, however, continue to show interest in the prospect of an oil find in the Bahamas. This has assumed new urgency in the light of U.S. efforts to become independent of Arab oil. Four companies have applied for exploratory licences under the 1971 Petroleum Act. Earlier exploration has indicated there is very little if any oil at all, but hope persists. Conservative estimates place Bahamian oil reserves at 30m. barrels. Last year the Ministry of Development published an in depth review of an exploratory material in its files. The report is said to be enjoying a brisk sale.

Recession has also affected production at the U.S. Steel Corporation's Bahamas Cement Company plant. The first major manufacturer to set up operations in Freeport, Bahamas Cement was an important supplier to the Florida construction industry during the 1960 building boom. With the slowdown in Florida the company has had to cut back operations to well below maximum capacity.

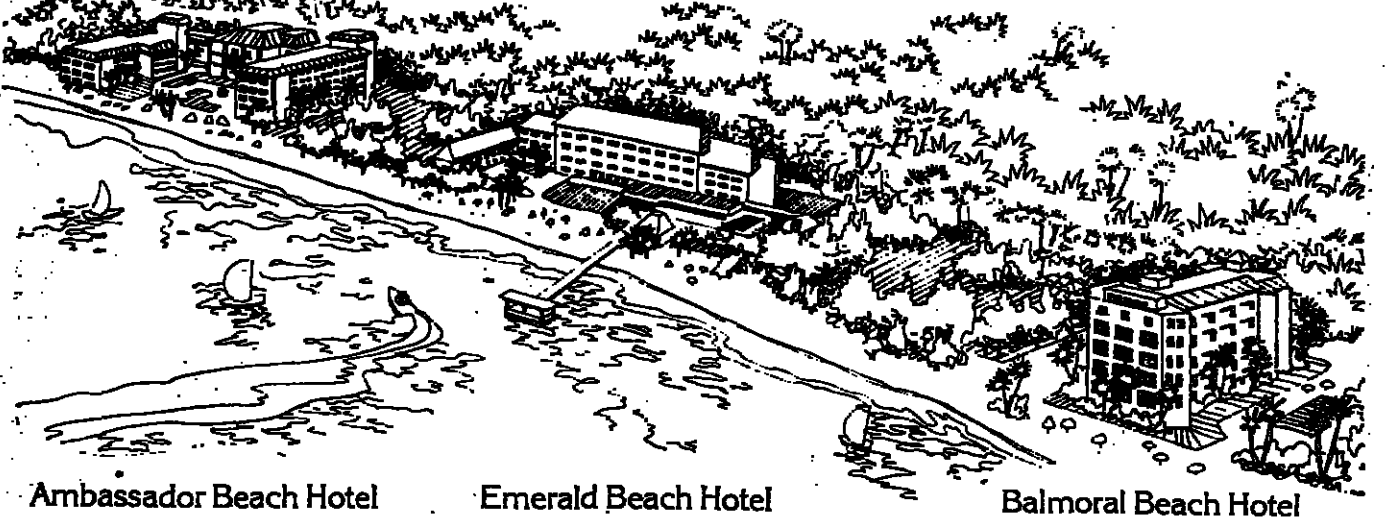
Other industries at Freeport have fared better. The Syntex Corporation's \$11m. plant continues to be an important producer of steroid hormones used in the manufacture of birth control pills and of Naproxen, a Syntex-developed non-hormone compound used in the treatment of inflammatory diseases of the joints.

At the Todhunter Mitchell distilling and bottling plant, expansion has been continuous since 1965. The firm now distributes a wide variety of spirits, wines and beer and handles many brand names including Ron Mathusalem rum and Smirnoff vodka.

The \$3m. Grand Bahama Pipe and Steel Company is the most recent company to become established in Freeport under the special tax concessionary terms of the 1955 Hawksbill Creek Agreement. The plant, designed for the manufacture of large diameter spiral-welded steel pipe, is a development of Klockner, one of West Germany's major industrial and trading companies. The facility came on stream in April 1975 but there are already plans for expansion.

As the hub of Bahamian industrial activity, Freeport has been particularly hard-hit by the recession. Developments within the past year, however, have increased tremendously the city's attractiveness as an offshore manufacturing base. Under the General System of Preferences (GSPs) established by the U.S. and the Lomé Convention reached by the EEC and developing countries, the Bahamas is among a number of

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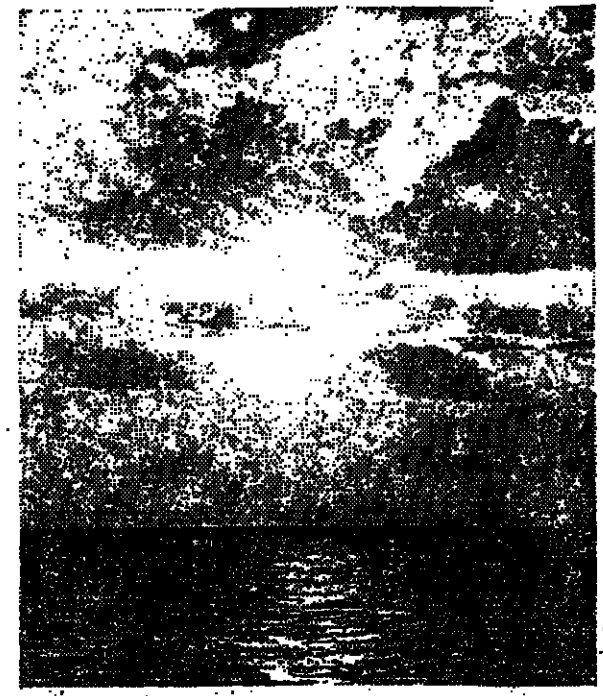


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# The Management Page

In contrast to the limited success of worker co-operatives in the U.K., the Basque area of Spain has seen a growing number of such organisations prosper over the past 22 years. Robert Oakeshott reports on this in the context of the region.

## 'Grass roots' enterprises thrive amid the Basques

VO-HOUR bus ride from the coast and you will find a charming little town in the heart of the Basque region which is the birth and nerve centre of an amazing group of co-operatives. The group includes numerous varieties of enterprises covering housing, agriculture, shops and services. But the most spectacular is its industrial co-operation. The first of these was set up in 1955 and now there are 14,000 people with an annual turnover which, even before the latest fall of the pound, is close to £200m. It includes some of Spain's top producers of consumer goods (in particular washing machines and refrigerators) and is competitive not only inside but beyond its borders—15 per cent of the total production is exported. Recent foreign orders include building plants like washing machines in Ukraine and refrigerators in Mexico. This is, therefore, a group of successful, high technology, mass production enterprises with a record of which any capitalist could be proud.

is dead, and the fifth left the co-ops to set up on his own at a quite early stage. The group traces its history back beyond the foundation of ULGOR in 1955, to the early 1940s. It was then that Fr José María, who had been on the republican side in the civil war along with the vast majority of the Basques, came to Mondragon. He found a demoralised community. As someone with a strong commitment to social and economic development he also found that all the normal roads to progress (whether directly political or via trade union organisation) were blocked off. His response was to raise money locally to set up a little apprentice school. The five ULGOR founders were all its graduates and in 1955 they decided to set up their own enterprise making small metal heating stoves.

### Structure was 'accidental'

They registered their enterprise as a co-operative, a choice of structure that they now say was "accidental" in the sense that Spanish law offered no alternative form which corresponded even remotely to their ideas. So the Mondragon industrial co-operatives were born. After ten years the workforce had risen above 4,000; after the second ten it had reached 14,000. After ten years sales approached 30m. pesetas (£245m.); after the second ten, they exceeded 200m. pesetas. The apprentice school was steadily enlarged and began teaching degree courses in engineering in the early 50s. It has grown and prospered alongside the productive enterprises themselves and now occupies a magnificent set of new buildings with what looks like the most modern equipment; a mile or so from the old centre of Mondragon. But its most unusual feature is essentially a democratic one. It still offers, within one institution, both craft courses and programmes for doctorates in technical and engineering subjects. It is as if one could take a course in welding at MIT (and as if the result-

ing combination was on offer not in Boston but in, say, Rapid City, Wyoming). The institution has played a crucial role in the growth of the co-operatives. It is one of the only two "federal" organisations which the productive enterprises share. Its existence has made it possible for them to satisfy all, or almost all, of their manpower needs from within. It has also made it possible for them to tie in training programmes very tightly with their plans for future expansion. The second "federal" organisation which the co-ops share is their bank. Its Spanish name is the Caja Laboral Popular—or, roughly translated, the "bank of the people's labour" or more simply the "workers' bank." In effect it is a hybrid. It is partly what we would think of as a trustee savings bank because of its numerous clientele of small depositors though it also provides standard banking facilities for, and holds, the cash balances of, the co-operatives themselves. But it is also an entrepreneurial or industrial merchant bank. (Its largest section, with a current workforce of over 90 is called in Spanish the Division Empresarial.)

The new headquarters building is large and modern with the highest quality of workmanship and finish. And from the Basque carvings and sculpture which are on show there, the bank clearly sees itself, among other things, as inheriting a banking tradition of patronage of the local arts. But I found myself wondering what a traditional banker would make of the fact that the maximum salary differential permitted in the bank, as in all the productive enterprises and in the school, is 3:1 before tax. Started in 1966, the bank had a total of 64 branches, spread around the Basque provinces of Spain, at the end of last year. Its 1975 balance sheet shows total deposits of just under 15bn. pesetas with capital and reserves at just over 1.5bn. pesetas. Pre-tax profits for the year 1975 were a little over 400m. pesetas. So, even by Spanish standards, it is still quite a small, and basically a local operation. What is much more remarkable than the bank's size is its record of success in both mobilising small fixed interest deposits from small savers and in putting them to work in the area by advancing short and long term credits to co-operative industrial enterprises. It is an extraordinary achievement. And the familiar clearing banks are

able than the bank's size is its record of success in both mobilising small fixed interest deposits from small savers and in putting them to work in the area by advancing short and long term credits to co-operative industrial enterprises. It is an extraordinary achievement. And the familiar clearing banks are

not really a parallel, though doubtless some of the money deposited in a particular area will be advanced to industry in the same locality. It is much more as if a local building society switched its main focus from the financing of houses to the financing of local industry and new jobs. The bank explains its success as a fund mobiliser on two grounds: first, its appeal to nationalist Basque sentiment and secondly the conservative and slow-footed ways of its main competitors among the savings banks. Of course, what is most remarkable is not so much its success as a savings mobiliser but its success at "picking winners" or rather at both picking and promoting them. Apparently not one of the industrial co-ops to which the bank has advanced money has ever gone bankrupt. It might be more accurate to say that not one of them has been allowed to go bankrupt. All the same, there is no suggestion that the number of rescue operations which the bank has had to mount is at all large.

All this confirms the bank's own account of itself: it is not

only (or even perhaps mainly) a financial institution. It is from the joint efforts of that this differential limit, given of high level and dynamic managers and professionals—in contrast with both the French industrial co-ops and the tiny handful of producer co-ops which survive in this country from the last century. It is easy to see that a basically artisan and working class leadership—which has predominated in the British and French experience—might feel inhibited about recruiting managers and professionals with thrust and drive.

geral resources are always at important puzzle which the service of the co-ops should the need arise; and it is no accident that its chief executive, Sr. Ormaechea, is described in Mondragon as the essential entrepreneur among the five founders of ULGOR.

Yet it would be wrong to jump to the conclusion that, national Basque sentiment apart, the main reason for the success of the co-ops has been the existence of this very high powered and professional "workers' bank." It would be wrong because what has been achieved results essentially not just from high level

entrepreneurial leadership but sides of industry). Of course from the joint efforts of that this differential limit, given of high level and dynamic managers and professionals—in contrast with both the French industrial co-ops and the tiny handful of producer co-ops which survive in this country from the last century. It is easy to see that a basically artisan and working class leadership—which has predominated in the British and French experience—might feel inhibited about recruiting managers and professionals with thrust and drive.

There is a second key structural feature which has a similarly positive effect. Subject to a short period of probation, every worker in the co-operatives must buy a capital stake in the enterprise—currently costing around £1,000. Those with insufficient personal savings may have the money deducted from their wages over a period of up to two years. Not less than 30 per cent, and not more than 80 per cent, of the annual profits of each co-operative must be credited to these individual capital accounts. For some of the longest serving workers the money in these accounts—which normally cannot be cashed until the person leaves the co-ops—now exceeds £15,000. It is easy to see both how the ownership of such capital sums can do nothing but good for the people's feelings of "solidarity" and that they are likely to encourage a lively sense of involvement in the co-operatives' fortunes.

The third feature is the democratic power arrangements of the co-ops. There is the familiar vesting of final sovereignty in a general assembly of all enterprise workers and members which elects what at Mondragon is called the "control" board. This control board in turn appoints the management. Finally the Mondragon co-

operatives have not been short of high level and dynamic managers and professionals—in contrast with both the French industrial co-ops and the tiny handful of producer co-ops which survive in this country from the last century. It is easy to see that a basically artisan and working class leadership—which has predominated in the British and French experience—might feel inhibited about recruiting managers and professionals with thrust and drive.

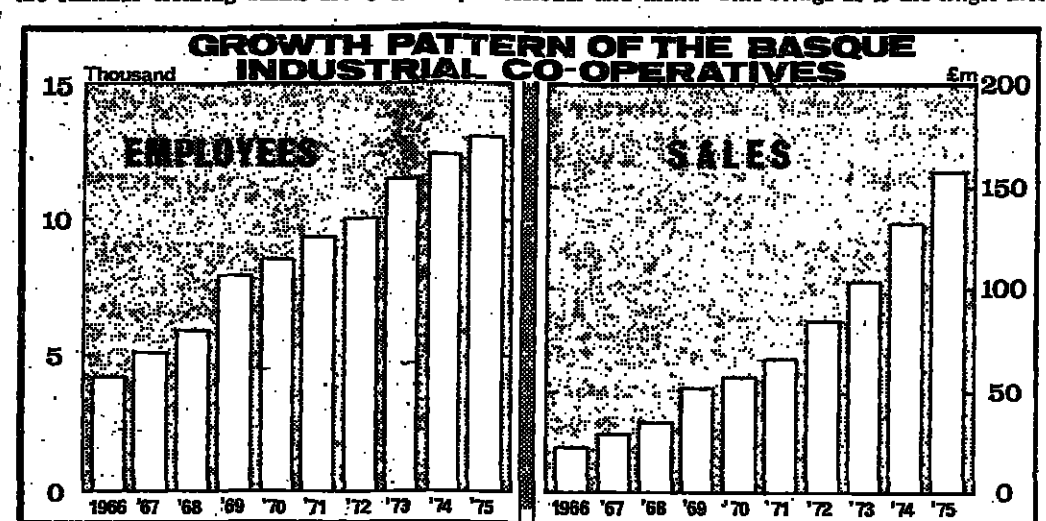
There is therefore a basic lesson to be learned from the Mondragon success. It is to realise the importance of self-help—or people's capitalism as it can be called in slogan terms. Those who believe that the "failure" of socialism in the Atlantic world may stem in part from its ambiguous attitude to self help and self reliance, will find much to support that belief in the Mondragon experience.

The author is working with a common-ownership enterprise in Sunderland and has visited Mondragon for the Anglo-German Foundation for the Study of Industry.

### Professional leadership

So far at any rate the Mondragon co-operatives have avoided this problem. I suspect that they have done so not only because of the unifying force of Basque nationalism but because effective leadership has remained with the professional and managerial groups and because that state of affairs has not yet been seriously challenged.

There is therefore a basic lesson to be learned from the Mondragon success. It is to realise the importance of self-help—or people's capitalism as it can be called in slogan terms. Those who believe that the "failure" of socialism in the Atlantic world may stem in part from its ambiguous attitude to self help and self reliance, will find much to support that belief in the Mondragon experience.



## Academic post for design management

A GRANT of £84,000 has enabled Britain's first professorship in design management to be established. The money has been given by the Wolfson Foundation for a chair in design management to be created at the Royal College of Art in London.

Announcing the setting up of the chair—a move suggested on this page last week as being imminent—the Royal College described it as being the first professorship "in this increasingly important area of business and industrial management to be founded in Britain, and perhaps in the world."

The idea of an academic post to develop research and teaching on management of design has for a long time been promoted both by the Royal College and by the Design Council and has been pushed by Sir Paul Reilly as one of his last projects before retiring next May as director of the Design Council.

The move also comes at a time when the Royal College is making strenuous efforts to strengthen its connections with various industries represented by the range of its design disciplines. In this context, Professor Lord Queensbury was appointed by the Royal College a year ago to direct the effort with the advice of an industrial liaison committee chaired by Mr. Oliver Makover and composed of representatives from industry and business concerns from the professoriate of the Royal College.

The next step by the Royal College will be the appointment of a professor of design management. The Royal College would hope that the candidate attracted to this post would be an experienced designer who would also have considerable experience of industry.

It is possible that while the professor would be attached to the Royal College, he or she might also be associated with a few universities chosen for their involvement in both business

studies and in engineering product development. The universities of Lancaster, Warwick and Surrey might meet the requirements although it is still too early to envisage such a move becoming a reality.

The Royal College feels the subject of design management has been gaining increasingly wide recognition over the past

decade and that the need to study the interaction of the design and the management process to evaluate the contribution of design to business performance has also been widely recognised by industry.

The grant will cover a seven-year period. Should the professorship develop as successfully as envisaged the Royal College

would hope that the chair would subsequently be supported financially by the Department of Education and Science, as are all its other existing chairs.

The Wolfson Foundation has made its donation in line with the policy of its trustees to "help the modernisation of the commercial and economic position of the U.K."

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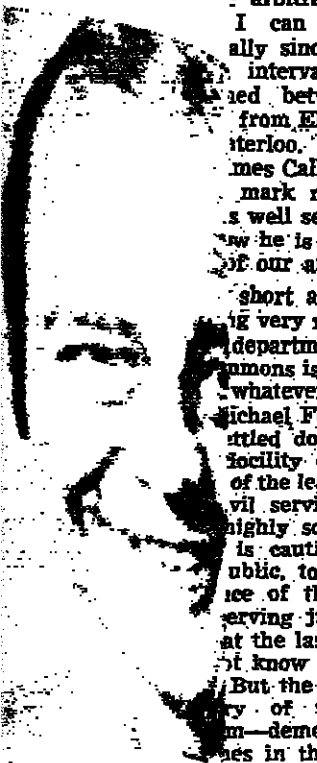
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# Callaghan's call for effort and virtue



Lord Watkinson, President of the CBI, Mr. Callaghan, and Lord Allen, Chairman of the TUC Economic Committee (from left to right), announcing this week's agreement on an industrial growth strategy.

like to concentrate on one thing is naturally better suited to a Chairman's role than to a Man- slowly and painstakingly by aging Director's, for it is forced officials in "teach-in"; he does by its own limitations to take an not read more than a can avoid, overall view, to conserve its What he has not been briefed strength, and when it is most needed. For this reason Mr. Callaghan may well be a better Prime Minister than he was a Head of Department. At the Foreign Office and still more at the Treasury the pressure of detail flustered him and under- mined his self-confidence — producing fits of suspiciousness and lapses of judgment. At the summit he is better able to pace himself, and so long as pressures do not mount intoler- ably and disaster does not strike unexpectedly he will probably continue to be an extremely effective co-ordinator of govern- ment effort.

This trait robs him of some flexibility; and if Sir Harold Wilson's besetting limitation was shortness of vision, Mr. Callaghan's is probably narrow- ness of vision. On the other hand, there are compensating advantages. One is that when his mind is fully engaged on a problem, as it is at present on the economy, he refuses, unlike Sir Harold, to admit distraction. The second is that in an effort of simplification his mind fastens on to essentials and he is not easily taken in by specious arguments and clever tactical points.

Another compensation is that he is prepared to listen to the advice not only of officials, but of colleagues. Sir Harold Wilson became better at delegating as he got older, but he never ceased to believe that his quick- ness gave him a mastery of the subject in hand quite as great as that of a Minister who had studied it for weeks, and his phenomenal memory fed the illusion. Mr. Callaghan uses the telephone not, as Sir Harold did, to harangue other Cabinet members or to invite their encouragement and admiration, but to receive instruction from them. The change is as gratify- ing to his colleagues as it is astounding.

This is a cast of mind which with him.

newspapers, let alone which Mr. Callaghan has got his men, should be so obsessed with the controls has been remarkable. First, then, the balance of achievement. On the plus side, clearly, the 4 per cent. pay deal with the trade unions. This was as it were, tied up by Sir Harold Wilson, and Mr. Denis Healey hacked it bravely out of the rough. But it was Mr. Callaghan's touch on the green that finally won the hole. He has acquired a large fund of trust and credit with the TUC over the years and used it at the crucial moment with exactly the right mixture of earnest- ness and cajolery.

A more completely personal achievement has been the whole change in the climate as regards economic policy. The adoption of a strong priority for invest- ment over public consumption has no doubt been dictated ultimately by international pres- sure on sterling. But Mr. Callaghan, who is now, it seems, spending 70 per cent. of his time on economic affairs, deserves the credit for (a) accepting the logic of further expenditure cuts at an early stage, (b) focussing the atten- tion of the Cabinet on them without any equivocation, and (c) setting about the task of preparing the Labour Party for the blow in forthright and per- sistent fashion.

A third plus, which it is per- haps too early to call an achieve- ment, is that the Prime Minister has called the bluff of the Labour Left. The economic crisis, the balance of power within the trade unions, and the disappearance of the Common Market issue from the scene have made the job far easier than it was. But Mr. Callaghan has restored what might be called the "normal" (that is

the pre-1969 situation. The National Executive is still Left- dominated but its pretensions to control Government policy have been defied. The Left in Parliament has been firmly told either to bear the responsibility of bringing in Mrs. Thatcher or to shut up. The Left in Cabinet — which is now, to all intents and purposes, Mr. Wedgwood Benn — has been successfully quelled with a mixture of avuncular flattery and courteous menace. All this does not entirely remove the danger of a maverick Tribune revolt or two, but it reduces the problem to the proper proportions.

On the negative side there is one major item — the sabbles in Parliament which has under- mined Labour morale and vastly improved the Conservatives. The mistake was to appoint an entirely new Leader of the

House of Commons, Mr. Michael Foot, at exactly the same time as a new and relatively inexpe- rienced Chief Whip, Mr. Michael Cocks; but it is not yet clear exactly how expensive a mis- take this was. A cynic might say that a man of Mr. Callaghan's views is not going to lose much sleep if the Aircraft and Shipbuilding Bill or the Pay- based Bill or other manifesta- tions of left wing dogma fall by the way. The great thing is to be seen to be striving for Socialism even if one is foiled by the Forces of Capitalist Dark- ness. On the other hand the Government has very little room for manoeuvre in the House of Commons and in an atmosphere of permanent frustration and confusion some serious legisla- tion as well as some credibility in the country could well be lost.

The net result of all this has been to lift the spirits of a small circle of insiders but as yet to leave the Government's overall standing pretty much where it was three months ago. Civil servants and senior ministers can sense a new feeling of resolution at the centre. The public still sees wrangles at Westminster and the same un- pleasant prospect of high unem- ployment and reduced standards of living. The question is there- fore whether confidence is from now on going to spread out- wards, revitalising the whole whether it is doomed to peter out, as it has so often done before.

The Prime Minister's own style is the key to this. For whatever may be argued about the collective responsibility of the Cabinet — and it is still a reality — it is the Prime Minister

## now-how or sale

Mr. A. H. Butler.

—Offshore Supplies Office just confirmed that British- try's share of the North Sea equipment market has in- creased. Export opportunities our North Sea oil assets are seen as the twin bases for national economic recovery. I am afraid that industry the trade unions are wasting time if they imagine that noticeable improvement in U.K.'s balance of payments unemployment figures will come from an attempt to in- crease the direct sales of British scale ironmongery to the national offshore oil and gas et. The poorer developing as are, correctly, determined to provide jobs for their own un- employed and the rich oil pro- ducers (Kuwait for ex- ample) are correctly deter- mined to create their own in- frastructure. We must with them to achieve their aims, or else the Japanese, the Italians and Dutch will us to the market.

A best way in which our- ce of payments and unem- ployment can be improved in- action with the world off- equipment market is to do something which does not upon costly imported raw- materials. British ex- perience and know-how in man- ufacturing industry. Unfor- tunately, there are people in this try who honestly believe that have less manufacturing know-how than most other as. But in truth one has to travel abroad to realise British technicians on the floor, the drawing office and research lab (and even sh managers in certain are unrivalled throughout world. The developing tries particularly can use

a much-neglected British battery of psychometric tests — the Mor- ris Differential Test Battery. Used correctly, this enables an- nouncing accurate estimation of mental capacity, direction of talent and whether the test sub- ject is likely to apply those talents in various prevailing task situations.

The DTE, like much else of great significance developed in this country, shows signs of being more highly regarded else- where. Adopted nationally within the educational system, its proper use could spearhead a dramatic resurgence of the U.K. W. A. Goode, 84, Abbots Road, Abbots Langley, Watford.

## Standardised commission

From the Deputy Chairman, M. and G. Group.

Sir, — In his article on the new life assurance commission arrangements Mr. Eric Short (July 3) says that "the big weak- ness is that the new scale does not apply to direct sales forces of life companies."

This comment illustrates once more, I fear, the persistent fus- sion between two fundamen- tally different situations, the difference being regrettably obscured by the use of the word "commission" in both in- stances.

A prospective policyholder dealing with the salesman of a life assurance company has no justification for assuming that the salesman is acting for any- body but the company, and he should not therefore be in the least interested in the nature or scale of the salesman's remunera- tion; all he needs to look at are the terms of the policy. A pro- spective policyholder who em- ploys a broker (or other inter- mediatary), on the other hand, is entitled to assume that the broker is acting for him, and it is therefore obviously important for him to know if the broker has any interest in recom- mending one policy rather than another company's.

One answer, as Mr. Short rightly says, would be for in- vestors to insist on knowing how much commission is being received by intermediaries. In practice, however, very few in- vestors indeed will do this, and the real answer is therefore that all commission scales should, so far as is possible, be both standardised and disclosed.

The Life Offices Associations have done their best to achieve standardisation but, in the absence of unanimous support from the industry, have not entirely succeeded. My own group has been campaigning for years both for standardisation and for disclosure.

R. W. I. Palamoutain, Three Queens Tower Hill, EC2R 6BQ.

## Standards? Rubbish!

From Mr. W. Goode.

Sir, — As industrial training officers in the electronic en- gineering industry involved in selecting and training people over a wide range of ability — operator to post-graduate — my colleagues and I were pleased to see Michael Dixon (Standards? Rubbish!, July 5) demonstrating the irrelevance of academic examination results.

For more than a decade now we have paid little attention to such results, except when they provide the necessary entry ticket to another academic course. Instead, we have used

## British Leyland products

Mr. John Barber.

Two related issues raised by Mr. Dodsworth and Geoffrey in their outline of British Leyland's product opportunities (30) need careful thought as decisions will be very ex- pensive for us.

placement of the Mini was a very high priority in the Ryder Report on a number- rounds among which profit: notably absent. BL starts it a disadvantage in the in- dustry low profit bottom end market because, as the largest car manufacturer in the world, it has only about the production capacity of all of its competitors. Plans for infusion of public money of change this significantly a Mini replacement cannot much more than half the ution volume of major com- petitive models.

no way can be found to t the higher unit costs due- lower model and total volume- lower design costs, higher- as or other means the Ryder recommendations should be considered. It would be wrong- add the new management- the taxpayer — with a plan- ly because it has appeared a quickly prepared official- rt.

am not advocating the drop- of the Mini replacement but- ly saying that no financial- has been made for it yet.- panies with a production- city of 2m. cars a year need- in the bottom sector to- ve their volume. It does

## Pig farming problems

From Mr. B. Woods.

Sir, — In the article "Pig farm- ing in the doldrums" again- This product matters, from my- experience of the development of- new Rover and the Princess, "feed- will require close involvement- and a deep understanding of the- problems by top management- and the decisions will be the most- crucial to BL's success that they- have to take.

John Barber, Copthall Green House, Highgate, Essex.

### GENERAL

Central Government financial transactions, June (including borrowing requirement), published by Treasury.

Session of European Parliament ends, Luxembourg.

Conservative Party conference on industry, Solihull, Warwickshire.

Mr. Terence Price, secretary- general, Uranium Institute, is guest lunch speaker at second and final day of Financial Times conference, Nuclear Power and the Public Interest — the Implication for Business, Royal Lancaster Hotel, W.2.

### To-day's Events

National Union of Mineworkers' conference ends, Douglas, Isle of Man.

Lord Kearton, chairman, British National Oil Corporation, opens new headquarters of Institute of Chemical Engineers, Rugby.

PARLIAMENTARY BUSINESS

House of Commons: Debate on first report of Select Committee on Direct Elections to European Assembly.

OFFICIAL STATISTICS

Personal income, expenditure and savings (first quarter). Gross domestic product (first quarter — revised). Construction new orders (April).

COMPANY MEETINGS

Beales (J.), Nottingham, 12.

Barr and Wallace Arnold Trust, Leeds, 12.

Goldberg (A.) and Sons, Glasgow, 10.30.

Asialac Rubber, 1/4, Great Tower Street, E.C. 11.30.

N.M.C. Invest- ments, 25/26, City Road, E.C. 11.15.

Newman Industries, Bristol, 12.

Weeks Associates, North- umberland, 12.

Westrick Pro- ducts, Exeter, 12.

### SPORT

Cricket: Third Test (second day), England v. West Indies, Old Trafford.

Golf: Open champion- ship, Birkdale.

Tennis: Davis Cup, Great Britain v. France, East- bourne.

Equestrian: Hickstead summer meeting.

BALLET

Royal Ballet dance Rituals, A Month in the Country, Thais (pas de deux), and Elite Syncretisms, Covent Garden, W.C.2, 7.30 p.m.

Scottish Ballet perform La Sylphide, O Caritas, and Sonate a Trols, Coliseum Theatre, W.C.2, 7.30 p.m.

# What's in a name?

Think of the Investors Chronicle.

Apparently a magazine solely for people who need to keep a close check on their investments. Indeed, this is an essential part of the magazine's job. But only a part. For example, this week's issue includes articles on:

- The Lonrho Affair — we examine the Dept of Trade report and its effect on British business.
- Companies in Liquidation — the IC looks at the multi-million pound jumble sale resulting from companies in liquidation.
- NEDC — we assess the value of this week's meeting.

Each week you'll find the IC regularly covers property, industry, Government policy and the economy, the outlook for business, changes in taxation, commodities, world energy, banking, currency, mining, the money markets, new accounting methods, and your personal finance problems.

And, of course, the London and world stock markets. In short, the IC is a weekly magazine designed to meet the essential needs of businessmen and senior managers directly concerned in the running of their company. It keeps them in touch with what really happens. The economy, their competitors, customers and suppliers.

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## COMPANY NEWS + COMMENT

## United Gas moves ahead to £1.2m.

AN INCREASE in profits before tax from £0.52m to £1.16m is reported by United Gas Industries for the year ended March 31, 1977. Sales rose from £27.14m to £33.83m.

Stated earnings per share have improved substantially from 2.1p to 5.1p before extraordinary items and from 0.5p to 4.1p after such items. Fully diluted, the figures are 5.3p against 2.4p.

In view of the earnings improvement, the directors recommend a net final dividend of 1.881p making a total of 2.015p compared with a single 0.125p final previously.

First half profits had risen from £220,000 to £382,000 and the directors said the improvement trend was continuing.

	1973	1974
Sales	27,140	33,830
Profit	520	1,160
Interest	400	480
Profit before tax	1,200	2,120
Net profit	640	1,160
Extraordinary items	120	120
Available	400	1,280
Preference dividends	90	90
Ordinary dividends	120	1,190
Retained	190	100

\* Reinvestment of Government awards.

## ● comment

A strong performance in France and Germany more than offset the reverses suffered by UGI in the U.K. to put full-year pre-tax profits 41 per cent ahead. U.K. trading profits fell 23 per cent, due primarily to a fall in demand for thermostats and poor sales of industrial meters resulting from the unexpected delays in the flow of further North Sea gas. Any significant improvement in U.K. sales will have to wait until late 1977 when natural gas starts flowing on a large scale. Meanwhile, from there has been some recovery in sales of thermostats. With demand for a wide range of products in Germany and France remaining buoyant, group profits should still see a useful advance in the current year. Looking further ahead, there should be substantial benefits accruing to the German subsidiary over the next two years from its 53.6m Russian contract for gas pipeline stations due for completion in 1978. At 50p, the p/e is 4.7 and the yield 10.9 per cent, covered three times.

## DOUGLAS ESTATES

Douglas Estates, subject to Bank of England approval, to offer to acquire the outstanding shares of Isle of Man Associated Investment at 25p per share.

Isle of Man Bank, a subsidiary of National Westminster Bank, has confirmed that finance sufficient to satisfy the offer in full is available.

## BELGRAVE (BLACKHEATH) LIMITED

Manufacturers and Machinists of Engine Valves, and Electrically Upset Forgings for the automotive, agricultural, mining and machine tool industries. Hot and cold forged fasteners for all users.

DIFFICULT TRADING CONDITIONS  
AFFECT RESULTS

The 27th Annual General Meeting of Belgrave (Blackheath) Limited was held on July 8th in Birmingham, Mr. C. H. Pittaway, B.Sc., the Chairman, presiding.

The difficult trading conditions which we experienced last year have continued and we have had to work very hard to keep full-time working. We have done this, but it is disappointing that we were not able to advance our group profit. The final results show profit to be £216,000 which is a reduction compared with last year (£235,934). It covers our dividends, and still allows a margin for a moderate advance without dipping into reserves. The Directors therefore recommend an ordinary dividend at the rate of 2.6 pence per share (2.4p last year).

Our active subsidiary, G. & A. Finney, has continued to do reasonable business in selling factory requirements and machine tools, and has made a useful contribution to the Group profits.

Competition has been serious and pressure on prices has been maintained throughout the period, especially in the motor industry where a large proportion of our products are used. Efforts have been made to penetrate new fields and we have so far managed to achieve a limited measure of long term success in this direction. We have experienced certain resistance in direct exports to the Common Market.

It has been necessary for us to trim and streamline our work force during the past year, resulting in a younger supervisory team, all promoted from within our organisation. There is at Belgrave a good spirit of willingness, with both management and operatives working diligently together in pursuing our tasks, firstly, finding new needs and uses for our products, and secondly, by organising more efficient production consistent with good quality and accuracy.

Finally, it remains to thank all those in the organisation for their loyalty and perseverance, and to express my confidence in them and their ability to fight back along the path to a worthwhile return for all our efforts, which with the modest improvement in trade is within our sights.

BELGRAVE WORKS ● HALESOWEN ● WEST MIDLANDS



Concrete and Structural Steel Engineers, Builders  
Suppliers, Plant Distributors and Contract Hire.

## 'Continued Progress in 1975'

	1972	1973	1974	1975
Net Sales	£400	£600	£600	£600
Group Profit before Tax	411	693	536	827
Taxation	167	285	306	500
Group Profit after Tax	244	408	230	327
Earnings per share	10.7p	13.2p	9.8p	13.4p

\* After scrip issue

Extracts from the circulated statement of the Chairman, Dr. D. B. McNeill:

- The company had a good year and a total dividend of 2.8504p is recommended, the maximum permitted.
- Profit in the Plant Division did not come up to expectation and steps have been taken which should improve the return from this part of the business. McNeill Engineering and McNeill Ireland recently obtained agencies which should make a useful contribution to the performance of the Plant Division.
- The sale of products manufactured in your Structural and Building Services Division was most satisfactory. Excellent results have been achieved by all departments of the Concrete Division; fabrication of structural steelwork at South Mills and Portadown Foundry has produced very satisfactory sales and profits and the results in the Sign Department were extremely good.
- The trade recession has now reached its nadir and it is unlikely that the rate of growth will be continued in 1976, but steps have been taken to meet the challenge and keep the Group in a state of readiness to take full advantage of the revival in trade when this comes to Ireland.

Copies of the Report and Accounts are obtainable from the Secretary, 78 Duncannon Street, Belfast BT3 9AZ.

## HIGHLIGHTS

Imperial Group's first-half profits are well up thanks to the foods division and the second half should be no less than the comparable period of last year. Profits at Redland are nearly £3m higher reflecting a sharp upturn in the U.K. and the current year should benefit from the overseas recovery which is now coming through strongly. Lex also covers Town and City Properties which has asked shareholders for approval to increase its borrowing powers following pressures arising from the weakness of sterling. At United Gas the strength in France and Germany has more than offset the reverse in the U.K. while Greene King has bucked the industry trend in the second half with overall profits some 38 per cent higher.

## Howard Machinery in profit

WITH THE bulk of earnings coming from overseas companies, profit before tax of Howard Machinery was £236,000 for the six months to April 30, 1976, compared with a loss of £335,000 in the previous comparable period.

Turnover rose from £259,910 to £323,110, included a contribution of £13,630m. (£3,080m.) from overseas subsidiaries. The company specialises in the manufacture of farm equipment.

The directors report that U.K. sales have been buoyant and it is expected that all units of Howard Machinery Co. U.K. will be trading profitably by the year end.

The interim dividend is raised from 0.95p to 1.045p net—last year's total was 3.03p on enlarged capital from profits of £2,650m.

● comment

Howard Machinery has recovered from the trauma of 1975, but pre-

is available to Douglas Estates. Douglas Estates and its associates already hold about 34.5 per cent of Isle of Man Associated Investment.

tax profits are still 30 per cent below the level of 1974. Since that boom year, demand has fallen while capacity has doubled, leaving the net margin at 2.6 per cent compared with 5.2 per cent. Normally, the second half provides more than two-thirds of the annual profit, but the drought in Europe will make farmers less willing to buy new machinery. In the longer term, demand should eventually meet the increased capacity, meaning large stocks are still a major drag on profits.

● comment

Greene King's 384 per cent pre-tax rise (as forecast with the rights issue) shows an even bigger increase in the second half than in the first. The 1975 full-year profits were only £2m. The shares fell 4p to 50p after the results were announced.

COMPARED with the forecast of not less than £500,000, mechanical engineers, Brahm Millar Group reports pre-tax profits of £785,598 for the year ended March 31, 1976 against £215,500 in 1974-75. Turnover increased from £4.98m to £8.55m.

The net final dividend is the expected 1.48p on increased capital making a maximum permitted 2.08p compared with 1.52p previously. A scrip issue is also proposed, on a two-for-five basis.

Stated earnings per 10p share have risen from 4.5p to 5.3p.

The year's profit is after depreciation of £63,238 (£37,864) but before tax of £420,539 against £284,994. The directors say turnover is being well maintained at present and the inquiry level is encouraging, profit margins however are under increasing pressure due to intensifying competition.

## ● comment

There was some slowing down in the second half at Brahm Millar, with profits up nearly a third against a doubling in the first half on sales up by 16.7 per cent. Again, the story was growth in exports, so that 56 per cent of total turnover was overseas, three-quarters of it in the Middle East. On the home side, there was some improvement in demand and more enquiries are continuing to come in. The current year starts off well, with a £2m order from Qatar. But the climate in the Middle East is becoming increasingly competitive, so that margins could suffer. At 42p (up 4p) the yield is 7.9 per cent and the p/e is 6.2.

## Comben increases capital

Comben Group is to increase its authorised capital to £3.5m by an additional 5m. Ordinary shares of 10p. This is necessitated by an obligation to comply with the terms of the trust deed constituting the £3m 25 per cent convertible unsecured loan stock 1982-97, which requires that the company keep available sufficient unsecured ordinary to satisfy in full all outstanding conversion and subscription rights, which at present stand at 5.25m. Ordinary shares to Mr. W. J. B. Davies in consideration for his 50 per cent holding in Comben Homes (South Wales).

The directors consider that the acquisition of this holding will

increase attributable profits by about £35,000 (£25,337).

## Greene King on target

IN LINE with the April forecast, brewery group, Greene King and Sons reports pre-tax profits of £2.77m for the year ended May 1, 1976, compared with £2m in the previous 53 weeks. Turnover improved from £20.34m to £26.19m.

The net final dividend is the expected 4.44p on capital increased by a rights issue, making a total of 5.85p compared with 4.275p previously. Earnings per share are shown at 16.7p against 13.7p or 13.4p on a 33-week basis.

● comment

Turnover 26,190,000

Trading balance 2,770,000

Dividends and reserves 2,770,000

Profit before tax 2,770,000

Profit after tax 2,770,000

Directors' remuneration 10,000

Interest 10,000

Income tax 10,000

Net profit 2,770,000

Extraordinary items 10,000

Available 2,770,000

Preference dividends 10,000

Ordinary dividends 2,770,000

Retained 2,770,000

● comment

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## Reports to meetings

At annual meetings yesterday the chairman reported that the group has continued its expansion in 1976. Nearly all companies in the U.K. and overseas had performed well and management accounts for first five months indicate sales and profits appreciably ahead of same period last year.

Peter Nichols told the meeting that during the first three months trading in the new financial year had performed well and sales had been achieved compared with the corresponding period for 1975. The weather continued, if the fine weather continued, the current year's figures could well be "fantastic".

Warren Tea Holdings—Mr. Humphrey Salmon, said that operations to date in the current year were satisfactory. At the end of June the crop from the Indian companies showed a 62 per cent increase over the comparable period for 1975. The revenue deficit was not only last year's record for the crop, the estimate for which is 11.5m, but also for the profit.

Sales both private and auction, in London and Calcutta to date totalled 3.5m (1,233m) kgs. and prices in both markets showed a considerable increase, reported Mr. Salmon.

In Kenya the upsurge in the coffee price continued at a high level, and he predicted with a fair measure of confidence that the price of coffee beans would be "fantastic".

Wheat—Mr. Salmon said that operations to date in the current year were satisfactory. At the end of June the crop from the Indian companies showed a 62 per cent increase over the comparable period for 1975. The revenue deficit was not only last year's record for the crop, the estimate for which is 11.5m, but also for the profit.

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## DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Andre Silenthloc	0.7	Aug. 23	0.63	1.33	1.6
Anglo-Indonesian	1.25	Aug. 20	1.25	2.5	2.5
A. G. Sars	1.4	Sept. 3	0.97	2.37	2.37
Brahm Millar	1.48	—	4.14	5.62	5.62
Braithwaite	4.05	—	0.87	4.92	4.92
Flexello	0.96	July 28	0.87	1.83	2.23
General Funds Invest.	1.05	Sept. 13	1.05	2.1	2.1
Greene, King	4.44	—	2.96	7.4	7.4
Haighton Develop.	1.05	—	0.55	1.6	1.6
Howard Machinery	1.08	Nov. 4	0.55	1.63	1.63
Imperial Group	1.75	—	1.75	3.5	3.5
Kimpher	Nil	—	2	2	2
Kraft Productions	0.81	Aug. 12	0.81	1.62	1.62
Redland	1.23	—	1.23	2.46	2.46
Sealers	0.3	Sept. 28	0.3	0.6	0.6
Stroed Riley	0.63	Sept. 1	0.88	1.51	1.51
Technology Trust	1.75	Sept. 1	2	3.75	3.75
Tribune Trust	3.5	Aug. 25	2.3	5.8	5.8
United Gas	1.28	Oct. 1	0.16	1.44	1.44
Warwick Engng.	2.08	—	0.22	2.3	2.3
Watson & Philip	0.69	—	0.69	1.38	1.38

Dividends shown pence per share net except where otherwise stated. \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) To reduce disparity.

## Midway dip at Andre Silenthloc

ON TURNOVER of £3.05m, against £3.02m, pre-tax profits of Andre Silenthloc (formerly Silenthloc Holdings) came to £404,000 for the six months to April 4, 1976 compared with £422,000.

The directors say that the results reflect continued progress in the U.K. somewhat offset by a delay in recovery in Australia where a return to profits has only recently been achieved.

The order book is in general being well maintained and they are confident that the group will make further advances.

Annualised earnings are given as 4.01p (3.85p) per 10p share. The interest on the group's debt of £625p to 0.7p net. Last year's total was £601p paid from pre-tax profits of £374,000.

● comment

Turnover 3,050,000

Trading profit 404,000

Tax 100,000

Profit before tax 304,000

Profit after tax 304,000

Directors' remuneration 10,000

Interest 10,000

Income tax 10,000

Net profit 304,000

Extraordinary items 10,000

Available 304,000

Preference dividends 10,000

Ordinary dividends 304,000

Retained 304,000

● comment

Andre Silenthloc indicated in its last report that the order intake

## Town &amp; City seeking higher borrowing limit

DEPLETION OF reserves has led Town and City Properties to propose amendments to its borrowing powers until 1981.

The Articles of Association and the Trust Deeds of two loan stocks are for three times the capital and reserves of the group. On the basis of the last accounts, this would amount to £427m.

But the effect of a reduction in reserves without a net reduction in overall borrowings has not been enough to allow such a closer to borrowing which at June 15 stood at £350m. (against which the group had made £10m of deposits).

Despite the effect of sterling's depreciation on what has been totalled to reduced borrowings, it must be stressed that the greater part of the foreign currency borrowings has been used to fund property acquisitions and developments overseas where the group has substantial assets and consequently, the adverse effect of the depreciation of sterling on the group's net assets is much less than the effect on group borrowings.

The Sterling states that the capital development programme has now ceased to be a major drain on the group's cash resources and that the proceeds of the depreciation of sterling on the group's net assets is much less than the effect on group borrowings.

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## Batley's of Yorkshire Limited

Sales up, Profits up, Dividends up

	Year to 1st May 1976	Year to 26th April 1975
Sales	£29M	£22M
Profits before tax	£351,000	£293,000
Dividends (Maximum allowed) pershare	2.9653p	2.7167p

In his chairman's report Mr. Lawrence Batley said:

“100% control of Wakefield Wine Company acquired. £1m. new warehouse off M6 and M61 to serve East Lancashire, opens March 1977. Sales after accounting period have never been so buoyant. Future prospects excellent.”

Batley's of Yorkshire Limited  
977 Leeds Road, Deighton, Huddersfield.

## ISSUE NEWS

## Second City rights at 24p each

Second City Properties is to raise £350,000 by way of a one-for-eight rights issue of Ordinary 10p shares at 24p each. The shares closed at 30p down 1p in the market.

The issue, which has been underwritten by Samuel Montagu, will also be offered to convertible stockholders in the proportion of one share for £1.20 nominal of stock.

The directors estimate that pre-tax profits for the year ended April 30, 1976, will not be less than £330,000 (£335,420), and earnings attributable to Ordinary stockholders will be £545,000 (£521,212).

The intended to pay a final of 0.982p per share to make a total of 1.137p or 1.7492p gross against 1.591p last year. For the current year they intend to pay a gross dividend of 2.6153p.

The proceeds of the issue will be used to reduce borrowings in the short term, and in the longer term provide funds for building land and property investment.

● comment

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# Imps' reaches £65m. in first half

Before tax of the Group increased to £65.1m. in the half ended April 30, 1978, after charges of £19.4m. but including income of £28.2m. Sales amounted to £119.9m., against £109.9m. in the corresponding period of 1977-78. The net profit after tax of £17.5m. was £17.5m. in the half ended April 30, 1978, against £17.5m. in the corresponding period of 1977-78. The net profit after tax of £17.5m. was £17.5m. in the half ended April 30, 1978, against £17.5m. in the corresponding period of 1977-78.

charges and additional charges for stock consumed: estimates for the half-year show that these two factors would in total represent between £20m. and £40m. of the group's trading surplus. In the earlier part of the half-year the tobacco division continued to make a limited recovery after the fall in demand which had followed the heavy duty increase in April 1977. It is more difficult than usual to predict the pattern of demand, the directors say. Existing strength in the lower priced brands will no doubt continue to stand the group in good stead; in addition, a worthwhile stake is being held in the cigarette sector, which augurs well for the future. There are now distinct signs of recovery, especially in board and in some packaging areas. If this continues the revival of demand in the country's earnings is expected for the year. A good increase in the brewery division's turnover, and an improvement in earnings over those of last year is also expected.

## Peak £3.1m. at Mann Egerton

TAXABLE profit of Mann Egerton and Co., a subsidiary of Inchcape and Co., was £3.1m. for the year to March 31, 1978, compared with £4.18m. in the previous 12 months. On an annual basis the increase is 7 per cent and the figure a record. The chairman, Mr. J. W. Campbell, reports that the new financial year has started well. For the first two months profits are in line with forecasts, but he warns that unless the price margin restraint regulations are eased, the outcome for the full year will be substantially depressed. Stated earnings per 25p share are 20p (15.0p for the year, and 23.9p for the 12-month period).

The chairman says that the motor division performed very creditably to achieve an increase in profits. New vehicle sales in unit terms were down, but better than the decline in the national penetration. The parts wholesaling business again increased its profit contribution substantially and repairs and service proved useful progress. The Rolls-Royce division made a significant profit contribution. Total industry sales of heavy commercial vehicles were much lower. The commercial vehicle division improved its profit contribution marginally. The tractor, agriculture and horticulture equipment division earned exceptionally good profits. The company exceeded its profit margin reference levels during the year by £600,000. A further £1.1m. is attributable to prior years.

# Redland up to record £26.8m.

AFTER A marginal increase from £10.51m. to £10.59m. in the first half, pre-tax profits of Redland finished the year to March 31, 1978 up from £19.06m. to a record £26.82m. Turnover expanded from £154.37m. to £185.12m. Adjusting for the July 1975 rights issue stated earnings rose from 8.57p to 12.18p per 25p share. As promised the final dividend is 1.8275p net for a maximum permitted 3.40825p (2.571p) total on the increased capital. In the figures for 1977-78, the Dutch company Redland-Broeders Europa was included as a subsidiary as the result of the reduction of 5 per cent in Redland's shareholding, that company is included as an associate in 1977-78 figures. The group operates as suppliers of raw materials and finished services to the construction industry.

	1977-78	1976-77
Sales	£185.12	£154.37
Pre-tax profit	£26.82	£19.06
Tax	41.08	41.78
Extra-ord. credit	8.62	

See Lex

Indemnity Guarantee Corporation, the insurance company headed by Mr. Joseph Kaplan which was required to cease trading by the Department of Trade in February, 1978 is taking its case to the European Commission of Human Rights "in view of the impossibility of bringing it before the U.K. courts" and the matter is also being taken up by members of both Houses of Parliament. This was stated yesterday by Mr. Kaplan on the occasion of the publication of IGA's annual report for 1977. According to the

chairman's statement the company is running off its business in an orderly manner "whilst fighting to have the Department's order rescinded." Mr. Kaplan also revealed yesterday that for the past four months a group of accountants sent by the Department of Trade has been examining all our books, going back several years. "They have refused to tell us the purpose of the examination, or what they are seeking to ascertain. It is not in connection with the matters which they have already decided to their satisfaction nor is it related to the stop order." "The only conclusion to be drawn is that they are 'fishing' for fresh accusations to level against us to take out their present zones..."

## 'Pru' first half progress

Prudential Assurance Company announces that in the first half of 1978 new life assurances and annuities were effected for new annual premiums of £25.5m. (£21.1m.) and single premiums and annuity considerations of £35.8m. (£17.2m.).

Constitution of the figures is Ordinary business (Individual contracts £27.7m. (£18.8m.) and £26.5m. (£9.4m.); group contracts £12.2m. (£9.4m.) and £9.1m. (£7.8m.); Industrial business, £1.6m. (£1.2m.).

Sum assured increased from £2,877m. to £3,730m. Vanbrugh Life individual contracts contributed £3.7m. (£0.4m.) to annual premium income and £18.6m. (£1.2m.) to single premiums and annuity considerations. An indication of the progress of the fire and accident business in the first half-year of 1978 will be given later.

# John Brown sees better profit this year

GIVEN reasonable trading conditions in the years ahead, John Brown and Company, is set for steady and profitable growth, the chairman, Lord Abernethy says in his annual report. By the start of the current trading year the group will be placed to take advantage of any upturn in the economy. Indeed even if no such upturn were to occur by the end of 1978, the group seems well set to make a much improved profit this year, and if the upturn comes, prospects for the current year and the next year will be further improved, says the chairman. One reservation that he expressed in January was the lull then in the intake of orders for gas turbines at John Brown Engineering. Several machines have now been ordered, and excellent prospects exist for further substantial contracts. The world market for heavy duty gas turbines is active and growing and the group will continue to win its share. A further major programme of plant modernisation at Clydebank is to start soon which should enhance competitiveness and profitability. JBE Offshore, though in need of further orders, seems likely to have a satisfactory year. Following the recovery of Constructors John Brown, it is expected that the group will make a useful contribution to group profits this year. Markham has a good order-book, and Craven, has since the start of the current year, a much improved order book for containers, while its subsidiary Taskers at Andover has been experiencing a good demand both for its range of low loader trailers and for its agricultural machinery. John Brown Tools, however, is still operating below capacity, but its business is such that it will show early benefit from any upturn in the economy. Orders and enquiries for machine tools have improved markedly in recent months and there are now grounds for hoping that this improvement will be sustained, the chairman says. As a known, pre-tax profits improved from £10.54m. to £17.8m. The dividend is 2.3p (2.85p). The balance sheet shows long-

term loans of £8.1m. (£6.09m.), increased from £0.02m. to £1.68m. Dividends total 32.5p net (£4,918,750). Meeting, Connaught Rooms, W.C. August 4, noon. It is expected that, even with increasing profits, the only U.K. tax payable for some years will be ACT on dividends; the incidence of capital allowances, losses brought forward, and stock appreciation relief will ensure this, so long as the present basis of tax remains. This will help to augment resources to meet the costs of financing a growing volume of business over the years, Lord Abernethy says. Meeting, 4, The Sanctuary, S.W. July 30 at 12.30 p.m.

## Sangers in strong position

DESPITE INFLATION, the Sangers Group has contained its liquid position and underlying profitability is still solidly based, states Mr. H. T. Nicholson, chairman. According to a statement of source and application of funds, there was an increase in net liquid funds of £12.8m. at year end, compared with a decrease of £2.2m. This was despite having to finance a turnover increase from £53m. to £65m., says Mr. Nicholson. The chairman says that profit source and application of funds, there was an increase in net liquid funds of £12.8m. at year end, compared with a decrease of £2.2m. This was despite having to finance a turnover increase from £53m. to £65m., says Mr. Nicholson. The chairman says that profit source and application of funds, there was an increase in net liquid funds of £12.8m. at year end, compared with a decrease of £2.2m. This was despite having to finance a turnover increase from £53m. to £65m., says Mr. Nicholson.

The rights issue realised nearly £1m. net of expenses to expand and diversify. A new agency business has been opened in Dublin and there are now plans to open similar agencies in other parts of the world. While other expansion is pending, the chairman says that the rights issue money is worth quite an amount in the saving of interest payable. As known, pre-tax profit for the year to February 28, 1978 of £621,000.

## Legal & General income up

AN INCREASE in world-wide new long-term premium income for the first half of 1978 was reported yesterday by Legal and General Assurance Society, rising to £4m. from £3.2m. for the first half of 1977. But new pensions and group life business remained virtually static at £2.2m. in the U.K., while overseas pension income rose to £2.2m. against £1.4m.

The group reported an increase in the sale of individual life policies in the U.K. at a record level of £6.7m. in new premiums and £2.9m. overseas. Mr. R. Peet, chief executive of L. and G., stated that pensions business was being subject to restrictions under the Government's pay policy, although schemes already under negotiation before the stage one announcement had been allowed to go ahead. Under these circumstances, he regarded the results as satisfactory and demonstrated the continuing demand for good pensions. Mr. Peet warned that the development of occupational pensions coverage would be largely frustrated unless the Government announced a date from which improved benefits could be effected.

M. J. CALLAGHAN The Royal Bank of Scotland has appointed Mr. Stuart Fraser, of Glasgow, to act as receiver for the building contractors Myles J. Callaghan of Maybole, Ayrshire. The appointment was made after the company failed to meet the deadline to repay overdrafts of £621,000.

## ECENT ISSUES

### EQUITIES

Stock	1978	1977
F.P. 101 1/2	8 1/2	8 1/2
F.P. 102 1/2	8 1/2	8 1/2
F.P. 103 1/2	8 1/2	8 1/2
F.P. 104 1/2	8 1/2	8 1/2
F.P. 105 1/2	8 1/2	8 1/2
F.P. 106 1/2	8 1/2	8 1/2
F.P. 107 1/2	8 1/2	8 1/2
F.P. 108 1/2	8 1/2	8 1/2
F.P. 109 1/2	8 1/2	8 1/2
F.P. 110 1/2	8 1/2	8 1/2
F.P. 111 1/2	8 1/2	8 1/2
F.P. 112 1/2	8 1/2	8 1/2
F.P. 113 1/2	8 1/2	8 1/2
F.P. 114 1/2	8 1/2	8 1/2
F.P. 115 1/2	8 1/2	8 1/2
F.P. 116 1/2	8 1/2	8 1/2
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F.P. 144 1/2	8 1/2	8 1/2
F.P. 145 1/2	8 1/2	8 1/2
F.P. 146 1/2	8 1/2	8 1/2
F.P. 147 1/2	8 1/2	8 1/2
F.P. 148 1/2	8 1/2	8 1/2
F.P. 149 1/2	8 1/2	8 1/2
F.P. 150 1/2	8 1/2	8 1/2

### FIXED INTEREST STOCKS

Stock	1978	1977
F.P. 101 1/2	8 1/2	8 1/2
F.P. 102 1/2	8 1/2	8 1/2
F.P. 103 1/2	8 1/2	8 1/2
F.P. 104 1/2	8 1/2	8 1/2
F.P. 105 1/2	8 1/2	8 1/2
F.P. 106 1/2	8 1/2	8 1/2
F.P. 107 1/2	8 1/2	8 1/2
F.P. 108 1/2	8 1/2	8 1/2
F.P. 109 1/2	8 1/2	8 1/2
F.P. 110 1/2	8 1/2	8 1/2
F.P. 111 1/2	8 1/2	8 1/2
F.P. 112 1/2	8 1/2	8 1/2
F.P. 113 1/2	8 1/2	8 1/2
F.P. 114 1/2	8 1/2	8 1/2
F.P. 115 1/2	8 1/2	8 1/2
F.P. 116 1/2	8 1/2	8 1/2
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F.P. 144 1/2	8 1/2	8 1/2
F.P. 145 1/2	8 1/2	8 1/2
F.P. 146 1/2	8 1/2	8 1/2
F.P. 147 1/2	8 1/2	8 1/2
F.P. 148 1/2	8 1/2	8 1/2
F.P. 149 1/2	8 1/2	8 1/2
F.P. 150 1/2	8 1/2	8 1/2

### "RIGHTS" OFFERS

Stock	1978	1977
F.P. 101 1/2	8 1/2	8 1/2
F.P. 102 1/2	8 1/2	8 1/2
F.P. 103 1/2	8 1/2	8 1/2
F.P. 104 1/2	8 1/2	8 1/2
F.P. 105 1/2	8 1/2	8 1/2
F.P. 106 1/2	8 1/2	8 1/2
F.P. 107 1/2	8 1/2	8 1/2
F.P. 108 1/2	8 1/2	8 1/2
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F.P. 111 1/2	8 1/2	8 1/2
F.P. 112 1/2	8 1/2	8 1/2
F.P. 113 1/2	8 1/2	8 1/2
F.P. 114 1/2	8 1/2	8 1/2
F.P. 115 1/2	8 1/2	8 1/2
F.P. 116 1/2	8 1/2	8 1/2
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F.P. 146 1/2	8 1/2	8 1/2
F.P. 147 1/2	8 1/2	8 1/2
F.P. 148 1/2	8 1/2	8 1/2
F.P. 149 1/2	8 1/2	8 1/2
F.P. 150 1/2	8 1/2	8 1/2

Announcement date usually last day for dealing free of stamp duty. a Placing to public. b Figures based on prospectus estimate. c Dividend rate paid or to be paid. d Figures based on dividend on full capital. e Figures based on dividend on full capital. f Figures based on dividend on full capital. g Figures based on dividend on full capital. h Figures based on dividend on full capital. i Figures based on dividend on full capital. j Figures based on dividend on full capital. k Figures based on dividend on full capital. l Figures based on dividend on full capital. m Figures based on dividend on full capital. n Figures based on dividend on full capital. o Figures based on dividend on full capital. p Figures based on dividend on full capital. q Figures based on dividend on full capital. r Figures based on dividend on full capital. s Figures based on dividend on full capital. t Figures based on dividend on full capital. u Figures based on dividend on full capital. v Figures based on 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## VINERS

Viners, the Sheffield based international group manufacturing stainless steel and silver plated cutlery and tableware, announce the following results for the year ended 31st December 1976.

	1976	1974
Group turnover	£9,066,873	£7,127,267
Group profit before tax	£ 793,777	£ 745,613
Earnings per Ordinary Share	7.17p	7.44p
Total net dividend per Ordinary Share	1.1628p	1.0688p

Extracts from the Chairman's Statement  
The pre-tax profits are higher than in 1974 and constitute a record for the fourth year running.

We are concentrating to a major degree on overseas activity for the future, both with regard to exports from the U.K. and the growth of our overseas subsidiaries.

I am pleased to advise you that new arrangements have been made for the distribution of our products throughout the U.S.A. and, to date substantial initial orders have been received. We are confident that the U.S.A. will become a significant outlet for our products.

Towards the latter end of the year we acquired from the Irish Cutlery Company Limited their factory at Enniscorthy and certain items of plant and stock. We have formed Viners Cutlery, and Tableware Limited in the Republic of Ireland.

Copies of the annual report are available on request to the Company Secretary.

VINERS LIMITED  
BROOMHALL STREET, SHEFFIELD S3 7SN.

## VINERS

## SANYO ELECTRIC CO. LTD.

## Curaçao Depositary Receipts of Ordinary shares

The Board of Directors of Sanyo Electric Co. Ltd. have announced that a BONUS distribution of 10% in shares will be made to Shareholders registered in the Company's books on the 31st May, 1976.

This bonus distribution will in due course be made available on the CDRs, for which coupon no. 15 has been designated, and holders should keep their coupons no. 15 for that purpose.

Since the 1st June, 1976, the original shares have been traded in Japan ex bonus and interim dividend.

As from the 1st July, 1976, the CDRs will be traded in Amsterdam ex bonus; they will be traded cum the cash dividend, however, until this is made payable in the Netherlands.

Amsterdam, the 30th of June, 1976.

BANK MEES & HOPE NV  
as duly authorized Agent of  
Carneth Administration Company N.V.

## Powell Duffryn poised for expansion

WITH A satisfactory state of liquidity, the Powell Duffryn Group is well poised to take advantage of favourable trading conditions and to plan confidently for expansion, chairman Sir Alec Ogilvie says in his annual statement.

The group will do its best to eradicate last year's "unwelcome" dip in its profit record, he tells members of this shipping, engineering, fuel distribution, oil and chemical storage, quarries, timber and industrial services group.

Any improvement in overseas trade will clearly help its shipping interests and the other divisions are also budgeting for higher profits. A great deal will depend on the economic conditions prevailing in the second half year but as viewed at this early stage "our mood is one of optimism," he adds.

As reported on June 23, pre-tax profits for the year ended March 31, 1976 fell by 19.5 per cent from £11.8m to £9.5m. The dividend is raised from 1.0688p to 1.1628p.

The balance-sheet shows bank balances and cash of £6.72m (£4.09m), short-term deposits of £10.7m (£9.0m) and bank overdrafts of £2.2m (£2.3m).

At the year end, there was an increase of £2.78m in net cash resources (£14.1m decrease). Inflation (including the CPP method) post-tax profit for the year at £5.16m against £5.89m.

A preliminary exercise in Current Cost Accounting shows a result not significantly different at the post-tax level from the CPP method.

The shipping division had a rough passage with its trading profit £4.1m, down on the previous exceptional year while profits from three other divisions were in total £1.2m lower.

However Powell Duffryn is a diversified group says the chairman and this "swings and roundabouts" philosophy stood it in good stead, a measure of its strength being that the remaining divisions notably engineering produced additional profits of £2.9m. This limited the overall fall in group trading profit to just under £2.4m.

The new SOFPEC (Société Française d'Équipement Électrique et de Chauffage) company, formed last October to replace the previous French subsidiary which was put into liquidation, is operating effectively and making good progress towards the profitable future, Sir Alec adds.

Inevitably this "clean sweep" approach meant additional costs and further provision of £1.2m was made against group reserves.

Towards the end of the financial year the monthly rate of inflation showed some signs of slackening, however for the year as a whole inflation and price controls caused some reduction in margins and the £7.47m to £5.75m. The profit

## BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are increases or falls and the sub-divisions are shown below as based mainly on last year's timetable.

Interim: A.C. Cars, W. Walters Publications.  
Finals: Crowther and Nicholson, James Scott Engineering, Trafford Carparts.

FUTURE DATES	
Company	Date
English Assoc. of American Bond	July 21
Kershaw (A.I.)	July 19
Low (Robert H.)	July 18
Rank Organisation	July 19
Rank (London)	July 13
Crown House	July 12
Drum (J. J.)	July 20
Kwikform	July 14
Lee Cooper	July 14

cash generated from pre-tax profits plus depreciation of £14m, fell short of the comparable figure last year by about £2m.

Nevertheless cash generated in the year under review was sufficient to cover working capital expenditure which, net of asset sales, amounted to £4m, plus Corporation tax which was relatively low due to continued relief for stock-in-trade increases.

The small cash surplus arising from normal operations was enhanced by an increase of £2.4m in long-term loans, the company having borrowed £2.5m, to support the European activities.

The overall result for the year was a cash inflow of £2.8m, which produced cash resources at the banks and on deposit of £4.6m, at year-end compared with £1.8m a year ago.

Future capital expenditure contracted for amounted to £14.1m (£1.31m) and £0.53m (£1.03m) was authorised but not contracted for. Meeting, the Dorchester, August 4 at noon.

## Stroud Riley loss-dividend reduced

A turnaround from a pre-tax profit of £145,199 to a loss of £234,079 is announced by worried spinners and interlining manufacturers.

Stroud Riley Drummond for a year to March 31, 1976. There was a deficit in the first half of £145,199 compared with a profit of £198,000.

Loss per 25p share at year-end was 8.99p (1.75p earnings) and the dividend is 0.625p net, against 1.16p — the directors have waived dividends in excess of 0.601p.

Turnover was down from £7.47m to £5.75m. The profit

figure is struck after depreciation and auditors' remuneration of £24,147 (£153,018), directors' fees of £58,620, compared with £58,533 and share of loss of associates £3,117 (£21,644).

Tax takes £50,186, against £72,356, leaving a loss of £284,263 (£72,943 profit).

## Braithwaite turns in £0.85m.

PROFITS before tax of Braithwaite and Company, Engineers, at £248,194 for the year ended March 31, 1976, have substantially exceeded the £43,331 of 1974-75.

First-half profits had risen from £99,768 to £210,440.

Stated earnings per £1 share are up from 15.4p to 28.8p and the net final dividend is 0.845p making a total of 6.937p compared with 6.873p previously.

Turnover for the year increased from £6.86m to £9.62m. Profit is before tax of £448,000 (£238,500) and extraordinary items of 180,000 (£23,600). Dividends absorbed £101,522 (£83,910).

## Kimper loss-no dividend

THE ADVERTISING, specialist market services and publishing concern, Kimper incurred a pre-tax loss of £200,000 in the year to March 31, 1976, struck after exceptional items and loan stock interest. Profits for 1974-75 were £180,000.

In January, reporting a first-half loss of £160,000 compared with profits of £51,000, the directors said it was unlikely that second-half profits would cover the first-half deficit.

Full-year turnover was £23.35m (£25.82m). After a tax credit of £73,000 (charge £154,000) the attributable loss is £298,000 against profits of £70,000. There is no dividend compared with a total of 3p net per 10p share.

Turnover

	1975-76	1974-75
Profit	58	323
Loss	298	290
Directors' remuneration	72	—
Exceptional gain	219	—
Loss on sale	49	—
Less before tax	372	—
Tax credit	239	124
Net loss	233	76
Dividends	—	4
Attributable loss	233	72
Balance retained	173	31
* Profit, + Charge.		

MERCANTILE CREDIT  
Mercantile Credit wholly owned subsidiary of Barclay's Bank, has acquired for \$US.1m.

## BIDS AND DEALS

## Richards and Wallington builds up Cox stake

Speculation that Transport Development's 30p a share bid for the 76 per cent of H. Cox and Sons (Plant Hire) it does not already own will attract a counter-offer was heightened yesterday by the news that Albert E. Sharpe had bought 35,000 shares in H. Cox at 31p on behalf of Richards and Wallington, which already holds 21 per cent of the company.

R. and W. stands to make a book loss of £471,000 on TD's 30p a share offer as its holding stock at £771,000 in the latest balance sheet.

H. Cox's share price moved 10p higher to 32p at last night's close.

U.S. Leasing International's 20 per cent interest in Mercantile Leasing, which now becomes a fully owned subsidiary.

The two companies will continue to co-operate actively over their common overseas interests.

Low & Bonar, a diversified group with interests in engineering, textiles and flooring as well as packaging. The share price of Bibby and Baron jumped 13p on the announcement to 47p, having already moved ahead 4p the previous day. Low and Bonar remained unaltered at 190p.

L and B has so far not acquired any shares in Bibby and Baron, whose business is based on paper of the company for the half year, and polythene bags and cartons. The approach was made by L and B a few days ago and a £250,000 for the corresponding period of last year, adding that this was due to a combination of reduced margins and the cancellation of a large contract.

A spokesman for Low and Bonar said last night that the two groups were complementary, in that Bibby and Baron's interests were slanted towards the consumer side of the packaging business while Low and Bonar's Packaging, with whom L and B would be merged, is mainly in the industrial end of the market. Also, a great deal of Low and Bonar's packaging interests are based in Canada and Bibby and Baron would add to the U.K. base.

In the last financial year to end March 31, 1973, Bibby and Baron made a pre-tax loss of over £1m, compared with a profit in the previous 12 months of £713,000.

The purchase price will depend on accounts to be prepared as at June 30, 1976, and will be about £250,000, payable in instalments over two years.

The net assets of Dawson not forming part of the sale, amounting to about £16,000, will be liquidated and Dawson will then repay group loans of approximately £250,000. The net profit before tax and management charge of Dawson in respect of the business being sold and other business since discontinued for £2,307,740 per share for the year, the maximum permitted by present regulations.

Since the end of the year the first of the six new ordered under the current new building programme entered service, delivery of the second is expected within matter of weeks and the remaining four during the nine months.

Discussions have reached an advanced stage with a to the formation of a new company in Brazil to be in equal proportions by the Wilson Sons Group and Incharge Group. The new company will study and develop opportunities for trading.

Income and interest from the investment portfolio increased by approximately 10 per cent during the year to £215,714. The market value of the quoted investment portfolio at 31st January 1976 was £2,535,566 showing a surplus cost of £278,367. The more recent valuation on 3rd 1976 showed a figure of £2,269,912.

Comparative Statement

	1976	11
Group Turnover	30,520,000	30,70
Group Profit before Taxation	1,967,639	1,81
Taxation	754,651	57
Group Profit after Taxation	1,212,988	1,10
Dividends		
Interim—paid	66,166	6
Final—proposed	86,296	7
Amount retained	1,060,476	96
Earnings per share based on the profit after Taxation	18.33p	1
Group Net Assets		
United Kingdom—Book Value	2,470,468	2,16
Surplus of Market Value of Quoted Investments over Book Value	878,367	37
Brazilian Interests—Book Value	3,843,855	2,44
	3,843,372	3,01

The Annual General Meeting will be held at 12 noon Tuesday 3rd August 1976 at Winchester House, 100 Old B Street, London, EC2.

George Doland

Increased Profits in Continuing Difficult Trading Conditions

Points from the Statement of the Chairman, Alfred A. Davis, FCA, at the Annual General Meeting held in London on 8th July, 1976:

Group trading profits for the year ended 31st January, 1976 resulted in a record net profit of £184, as against £170,345 for the previous year. The Board is recommending a net dividend of 1.25125p share which is the maximum permitted under Government's counter-inflation legislation.

This year we have carried out our policy of expansion adding a total of nine new branches. From rest to date the Board feel that a successful expansion into the young men's market has been achieved. It is intended to continue our policy of control expansion in this sector. In our conventional cloth division the programme of renovations and improvements has continued.

So far during the current year turnover has remained level with last year while expenditure has increased considerably. We are hoping for increased business in the second half of the year, always a better trading period, and it is this result which will decide if profit for the year. However, in these difficult times I cannot forecast the future, but we have this common with all other businesses today.

## John Brown and Company, Limited

## Improved prospects for the current year

## Lord Aberconway's annual statement

The result for the year to 31st March, 1976, a group profit before tax of £1,761,000, though poor, was better than the figure of £1,300,000 which we forecast in the Interim Statement.

The directors recommend a final dividend on each unit of Ordinary Stock of 1.75p, making a total for the year of 2.50p. This represents a high proportion of the profit after tax attributable to Ordinary Stockholders, and is a reflection of the Board's confidence in the future of the Company. Even so, the directors recognise that this is scant reward and small consolation to stockholders, but it is an inevitable consequence of a difficult year. I hope however that they will be able to take comfort from what I say later in this statement as to the improvement in the underlying strength of the group, the encouraging state of the order books of most of the subsidiaries, and the well-founded hopes we have for a much better result both in the current year to 31st March, 1977 and, subject to the economic climate, thereafter.

Stockholders will observe that although the Consolidated Profit and Loss Account is not this year dominated, as it was in 1975, by a massive loss incurred by a single subsidiary, nevertheless again taxation provisions take what seems a surprisingly high proportion of the profit. This is largely because taxation upon the earnings of overseas subsidiaries has to be paid, and losses incurred in the United Kingdom cannot be offset against it. Even though tax on profits has to be provided each year we expect that, even with increasing profits, the only U.K. tax payable for some years will be Advance Corporation Tax on dividends: the incidence of capital allowances, losses brought forward, and stock appreciation relief will ensure this, so long as the present basis of tax remains. This will help to augment our resources to meet the cost of financing a growing volume of business over the years.

In my Statement a year ago I warned of the problems which our United Kingdom businesses would have to face by reason of continued rapid inflation and a world-wide recession in trade, especially in capital goods. I also dealt at some length with the difficulties of Constructors John Brown on certain of its longer term contracts. In the event, as was evident from my Interim Report, these factors have dominated the past year.

CJB, on its way to recovery from its previous troubles, made a loss as we predicted a year ago. The improvement in its affairs during the year, however, surpassed our expectations. Indeed, CJB, with the help of its flourishing subsidiaries, would have made a useful profit, had it not been for a further unforeseen technical setback on equipment designed and supplied by a subcontractor for one of the three earlier difficult contracts: incidentally on these three contracts our troubles would now appear to be behind us. CJB's re-organised management team has settled down well. There is a good order book for future execution, consisting of a high proportion of contracts with reasonable margins and helpful terms of payment and with little risk attached. Prospects of further new work for this year and next are excellent.

John Brown Engineering (Clydebank) shipped a record number of gas turbines to customers, and made a satisfactory profit. It absorbed the last of the start-up costs of its subsidiary J.B.E. Offshore, engaged in the fabrication of modules for the offshore oil industry.

In the machine tool industry the worst recession for many years meant the loss of almost all of the Wickman group's normally substantial contribution to our profits. In the field of plastics machinery the effects of the general recession were accentuated by the increase in the price of crude oil, the source of most plastic raw material. Elsewhere in the group, though not universally, the intake of orders was low, while everywhere pressure on margins and ever increasing costs affected profits.

Our overseas interests in Canada, South Africa and Australia traded, in the main, well.

At the beginning of the year under review it was apparent that the CJB loss, together with the current adverse trading conditions, would impose considerable organisational and financial strains on your Company in the ensuing year or two, especially as returns on capital employed had for some years, despite efforts to improve them, been unsatisfactory. Corrective action was taken in several spheres. At CJB the painful step was taken to discontinue the business of cross-country pipeline in which we had been pioneers in this country: it was apparent that prospects were such that further injections of working capital would be needed, and we could see no likelihood of achieving an acceptable return on the resulting capital employed. Mainly, I would emphasise is quite distinct from pipeline, and those subsidiaries of CJB engaged therein are in good heart and will continue their activity. In the Wickman group too, major surgery was decided upon: the manufacturing activity of Taylor & Challen, already reduced in scope and concentrated upon the more viable lines of hot brass forging presses and coining presses, is being moved to the premises, not far away, of Wickman Scavenger, where a more economic joint unit has good prospects. Happily we can provide continued employment for many of the Taylor & Challen employees. Another factory, at Preston, in the Cravens group, was closed through the decline in the demand for specialised vehicle bodies and consequently the reduced prospects of a continuing viable business in their manufacture: again many of the employees were later given employment at the Cravens factory at Garsington, not far away.

These and other measures taken during the year to contain costs and to enhance profitability are part of the plan to improve the return on capital, a plan which we developed as a result of the examination we undertook of the group's policies and potential for the years ahead. The group continues to work to this plan, and this should ensure that progressively better use is made of our resources.

Accordingly by the start of the current trading year the group was well placed to take advantage of any upturn in the economy. Indeed even if no such upturn were to occur by the end of 1976, the group seemed, and as I write still seems, well set to make a much improved profit this year; and if the upturn comes, our prospects for the current year and the next year will be further improved. One reservation that I expressed in January was the lull then in the intake of orders for gas turbines at J.B.E. latterly, I am glad to say, several machines have been ordered, and excellent prospects exist for further substantial contracts. The world market for heavy duty gas turbines is active and growing and we will doubtless continue to win our share of it. We expect shortly to initiate a further major programme of plant modernisation at Clydebank, which should enhance our competitiveness and

profitability. J.B.E. Offshore, though in need of further orders, seems likely to have a satisfactory year.

Turning to the prospects of our other leading subsidiaries in the United Kingdom, I have dealt already with the recovery of CJB, as a result of which we expect it to make a useful contribution to group profits this year. Markham has a good order book, including, as the latest addition to its long line of water turbine contracts received over many years from Boving & Co. Ltd., the order for six turbines for the CEBB pump storage scheme at Dinorwic, in North Wales, the value of which to Markham is in excess of £11m: Markham's facilities are being improved by an extension to one of its heavy bays. Cravens, too, has, since the start of the current year, a much improved order book for containers, while its subsidiary Taskes at Andover has been experiencing a good demand both for its range of low loader trailers and for its agricultural machinery.

Firth Brown Tools, however, is still operating below capacity, but its business is such that it will show early benefit from any upturn in the economy. Bone Cravens is finding a gradual, but slow, improvement in interest shown by customers in its range of plastics machinery. Finally orders and enquiries for machine tools have improved markedly in recent months, and there are now grounds for hoping that this improvement will be sustained.

In machine tools we have, throughout the Wickman group, and at Webster & Bennett, a fine range of products, accepted as such all over the world. Our machine tool companies give splendid service, backed by excellent production facilities and experienced research and development teams, and they have highly skilled shop-floor employees. It is sad however that, by and large, the profit Wickman has earned has not for some years adequately reflected the efforts expended and the capital deployed. Measures have been taken, including the moving of Taylor & Challen's manufacture, to which I have referred, and further action will be initiated to improve performance. Accordingly, given the support of our workpeople, a critical factor, we expect to enjoy reasonable trading in the current year and to derive significant benefits thereafter.

Stockholders will be happy to know that the appointment of Mr. Mayhew-Sanders as the group's Chief Executive nine months ago has worked out well. Control and planning have been improved, and closer liaison established between subsidiaries with common ground. Executives throughout the group have welcomed the appointment, and I personally find my task much eased thereby. He and I get on well and co-operation between us is close and easy.

To him and to all our teams of management, and to all our people who have worked well in a difficult year, I give the thanks of the directors, and, I am sure, of the Stockholders. Given reasonable trading conditions in the years ahead, the group is set for steady and profitable growth. Meanwhile I believe that Stockholders will be satisfied with the outcome of the current year.



## MINING NEWS

## Diamond sales heading for new record

ENNETH MARSTON, MINING EDITOR

More than expected advance in the value of rough diamonds for the half-year to June 30, 1976, has been reported by the Central Selling Organisation on behalf of the 10 other world producers, which has reached \$435m. in the half of last year and in the second half.

The advance, which has been reported by the Central Selling Organisation, is an increase of 17.5 per cent. over the first six months of 1975, when the value of sales was \$370m. The current level of sales is maintained at \$435m. in the first six months of 1976, an increase of 17.5 per cent. over the first six months of 1975.

The advance in the value of sales is a factor in the latest value of sales, which is \$435m. in the first six months of 1976, an increase of 17.5 per cent. over the first six months of 1975.

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## £0.49m. by A. G. Barr at midway

GLASGOW-BASED soft drinks manufacturers A. G. Barr and Company reports pre-tax profits of £436,000 for the half year to April 30, 1976, on turnover of £7.31m.

The figures represent a return to a more normal trading pattern. In the 1974-75 first half the group was hit by escalating sugar prices and price code regulations and recorded a £386,000 loss on turnover of £6.83m. The chairman Mr. Robert Barr believes a more accurate guide to progress is provided by the half-year results to April 1974 when pre-tax profits were £194,000 on turnover of £5.32m.

Despite the recent good weather Mr. Barr says it will be difficult to match the volume achieved during the whole of second half for 1975 which represented an exceptionally good long summer—and with costs increasing steadily, the group is unlikely to achieve the same profitability during the second half as last year's £1.32m.

Nevertheless "with the very great improvement during the first six months, the results for year should certainly be satisfactory," he tells members. The first-half earnings are shown at 1.02p (loss 12.24p) per 25p share. The interim dividend is held at 1.4p net—last year's final was 3.55p.

Turnover 1975-76 1974-75  
£7.31m 6.83m  
Pre-tax profit 436,000 386,000  
Tax 238,000 238,000  
Net profit 198,000 148,000

## W. W. Hall turns in £61,591

Building material distributors W. W. Hall reports pre-tax profits of £61,591 for the year to April 30, 1976 compared with a loss of £278,217 for 1974-75. Turnover rose from £11.49m. to £12.85m. At midway when profits were £102,000 against a £90,000 deficit, the directors said that subject to seasonal influences the improvement should continue.

Full year earnings are shown at 0.55p (loss 6.4p) per 10p share. Again there is a dividend—the last payment was a total of 2.1105p net for 1973-74.

## Tribune Trust ahead halfway

Gros revenue of Tribune Investment Trust increased from £0.39m. to £0.49m. in the six months to June 30, 1976, and pre-tax revenue was up from £0.33m. to £0.42m. After tax the figure is £0.22m. (£0.17m.). To reduce disparity the interim dividend is being raised from 2.8p to 3.5p net—the directors propose to at least maintain last year's 6.8p final. Revenue for 1975 amounted to £0.68m. Net asset value per share at half way was 832p (757p).

## MINING BRIEFS

MALAYSIAN TIN—Quarter to June 30, 1976, one sold 22.32 tonnes (previous quarter 22.46 tonnes). Working profit £4,679 (£4,281). Tin ore retained in stock at June 30, 3.12 tonnes (16.6 tonnes).

## Marginal rise at Metropole

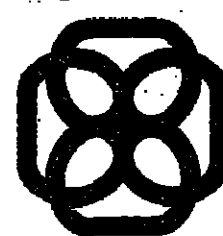
On turnover of £2.82m. against £2.84m. profits before tax of Metropole Industries rose marginally from £218,070 to £218,404 in the year to March 31, 1976, after £105,900, against £102,900, for the first half. Full-year earnings are shown to be up from 5.4p to 5.6p per 10p share.

The group controls companies engaged mainly in engineering and associated trades.

1976 1975  
Group turnover 2,816,880 2,824,560  
Trading profit 218,404 218,070  
U.K. tax 45,000 45,000  
Foreign tax 39,251 39,251  
Net profit 134,153 133,819  
Extra-ord. profit 12,500 12,500  
Minority interests 10,643 10,643  
Attributable 127,346 127,346  
Preference dividends 77,800 77,800  
Corporation tax losses of some 570,000 available to be carried forward at March 31, 1976 by certain companies. The half-yearly cumulative preference dividend of 4.1105p net, in respect of six months ended March 31, 1976, will be paid on July 31. This, in conjunction with the cumulative element paid on January 31, 1976, will have absorbed £8,773 in dividends and ACT. Further participating dividend of 4.5p net in respect of the year ended March 31, 1976 will be paid on January 31, 1977 to Preference shareholders on register on July 28, 1976.

## TEA REPORTS DELAYED

Romani Tea Holdings and Williamson Tea will be unable to issue their annual report and accounts within the six-month period following the date of the end of the financial year, which they relate, because audited returns from certain of their subsidiaries operating overseas were not received in time. It is anticipated that the annual report and accounts will be published in the early part of September.



بنك بومبوترا ماليزيا بيهاد

BANK BUMIPUTRA MALAYSIA BERHAD  
(INCORPORATED IN MALAYSIA - HEAD OFFICE - KUALA LUMPUR)

## Balance Sheet As At 31st December, 1975

CAPITAL AND LIABILITIES		ASSETS	
	MS		MS
<b>SHARE CAPITAL</b>			
Authorised:			
Ordinary shares of \$1 each	200,000,000		
Issued and fully paid:			
Ordinary shares of \$1 each	40,000,007		
<b>GENERAL RESERVE</b>			
Reserve Fund	18,500,000		
Profit and loss account	339,601		
	18,839,601		
Shareholders' Interests	58,839,608		
<b>SUBSIDIARIES</b>			
Deposits	39,500,000		
Amount due to	1,863,354		
	41,363,354		
<b>CURRENT LIABILITIES</b>			
Current, fixed, savings and other deposits of customers	1,042,672,884		
Deposits and balances of banks and agents	318,436,176		
Bills payable and other liabilities	64,961,849		
	1,426,070,909		
<b>ACCEPTANCES, GUARANTEES AND OTHER OBLIGATIONS PER CONTRA</b>			
	263,336,393		
	\$1,789,630,263		
<b>CURRENT ASSETS</b>			
Cash and balances with banks and agents	107,956,183		
Money at call and short notice	16,000,000		
Advances to customers less provision for bad and doubtful debts	701,606,423		
Malaysian Government Treasury Bills	165,146,665		
Other bills receivable	146,738,230		
	1,137,450,501		
<b>INVESTMENTS AT COST</b>			
Malaysian Government Securities	318,466,663		
Quoted shares	22,124,597		
Unquoted shares	2,440,000		
Unsecured notes	3,000,000		
	346,024,260		
<b>SUBSIDIARIES</b>			
Shares at cost	7,563,000		
<b>FIXED ASSETS</b>			
Land, building and equipment at cost less amount written off	19,515,041		
<b>OTHER ASSETS</b>			
	15,751,068		
<b>LIABILITIES OF CUSTOMERS FOR ACCEPTANCES, GUARANTEES AND OTHER OBLIGATIONS PER CONTRA</b>			
	263,336,393		
	\$1,789,630,263		

## The Board Of Directors

THE HON'BLE SENATOR KAMARUL ARIFFIN  
(Executive Chairman)

L.E. OSMAN

HAJI K. MUSHIR ARIFF, J.S.M., A.M.N., P.J.K., J.P.

THE HON'BLE SENATOR TAN SRI S.O.K. UBAIDULLA, P.S.M., D.P.M.S., J.M.N., M.P.

THE HON'BLE TAN SRI SYED NASIR BIN ISMAIL, P.M.N., D.P.M.J., D.P.M.P., J.M.N., P.I.S., M.P.

JOHN K.D. EU

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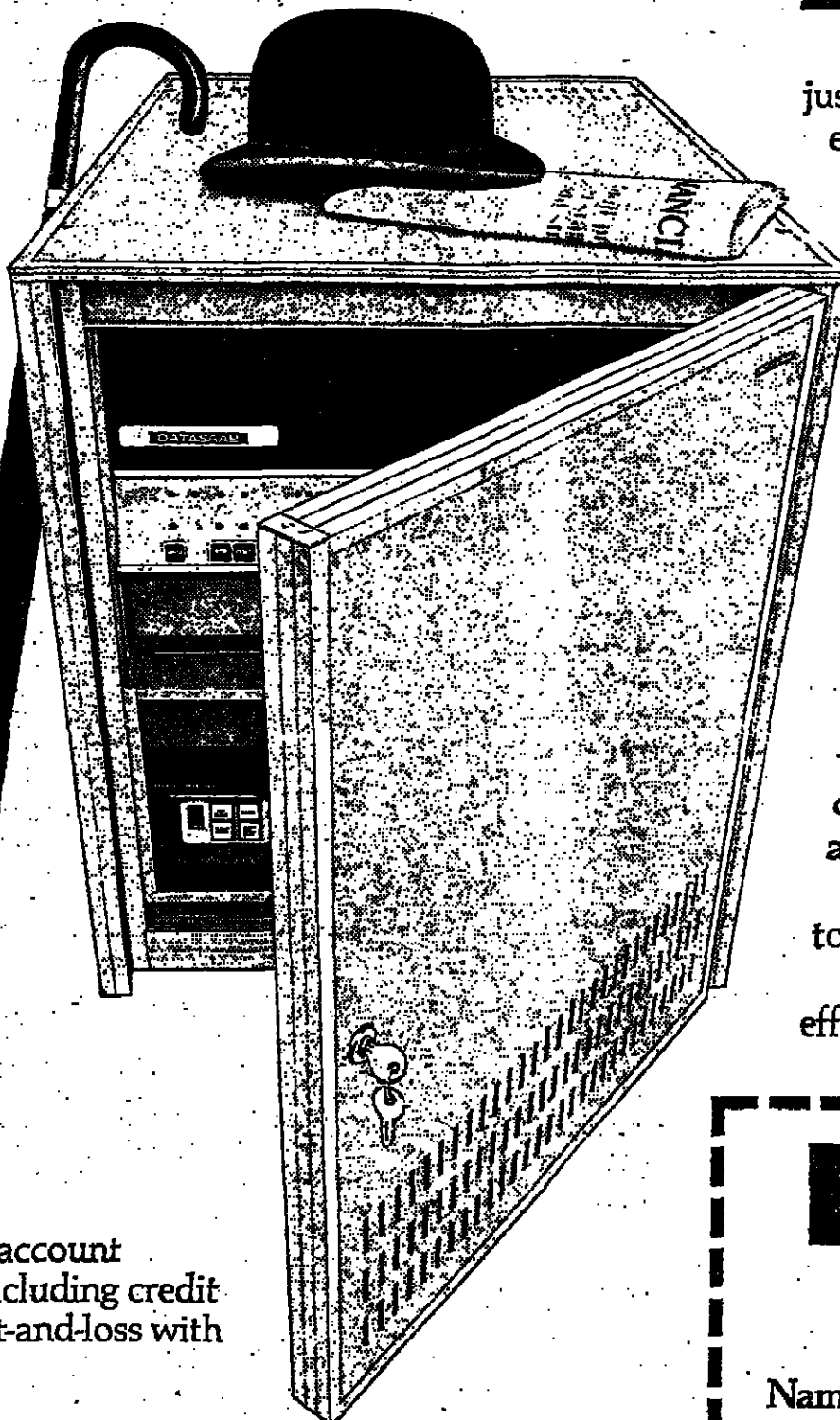
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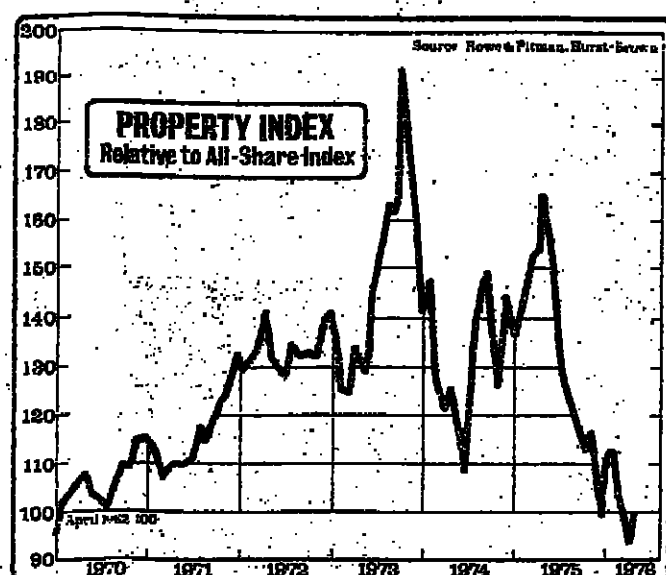
# The Property Market

BY QUENTIN GUIRDHAM

## Implications of a share revival

Two stockbrokers' commentaries on property shares have been issued without, to some people's relief, so much as a word on the techniques of property valuation. Both Rowe and Pitman, Hurst-Brown, and Joseph Sebag take what might be called a fundamentalist line: investment yields are down so values must be up; the companies have been able to make substantial sales and so restructure and reduce their debt; development programmes are coming to an end; rental demand is improving and the recessionary trend is good. Ergo, somebody ought to start buying property shares when well-financed companies with first-class portfolios are selling at discounts of 30 per cent. and more on their net asset value.

The arguments are all sound enough, except that they were also valid three months ago. The position has only got better since then, particularly in terms of sales, such as English Property Corporation's, and the rental demand in central London, which is crucial to most of the favoured shares. It has become that much clearer which companies are sound and which are decidedly shaky, so the wholesale marking down of the sector on bad news should have finished. Since the desirable holdings are, in most cases, those who have cut their variable term debt, these factors ought, since the spring, to have



outweighed rises in interest rates.

Then why, if the news was really improving, did the sector go on drifting down, so that the Property Share Index came from a year's top of 184 at the end of January to a bottom of 144 at the beginning of June? That is, the same pattern of decline as the All-Share Index showed (though the industrial sector had its peak as late as March). But the property sector was not just following the whole Stock Market down. It was among those leading the way. Relative to the rest of the market, it largely underperformed the whole way down until the first week in May.

Among the reasons for this were the shock of the American investment and property collapse, a shock partly down then it will find one any-where, because this was, despite all the rumours over two and a-half years, the first major quoted company to fail and therefore really improving, did the sector go on drifting down, so that the Property Share Index came from a year's top of 184 at the end of January to a bottom of 144 at the beginning of June? That is, the same pattern of decline as the All-Share Index showed (though the industrial sector had its peak as late as March). But the property sector was not just following the whole Stock Market down. It was among those leading the way. Relative to the rest of the market, it largely underperformed the whole way down until the first week in May.

But it is always dangerous, if not plain silly, to talk of a market misinterpreting events. If it needs a reason to be marked down then it will find one anywhere, because this was, despite all the rumours over two and a-half years, the first major quoted company to fail and therefore really improving, did the sector go on drifting down, so that the Property Share Index came from a year's top of 184 at the end of January to a bottom of 144 at the beginning of June? That is, the same pattern of decline as the All-Share Index showed (though the industrial sector had its peak as late as March). But the property sector was not just following the whole Stock Market down. It was among those leading the way. Relative to the rest of the market, it largely underperformed the whole way down until the first week in May.

has performed worse than the market this year is that this has been realised, making £850m, precisely what it has been doing for most of the past two and a-half years, costing investors a great deal in the process. Looking for a "technical rally" or even a real one in a market which is drifting downwards at under 4,000 deals a day is optimistic enough, even in a sector of historic strength. When the performance of that sector against the rest of the market is as dismal as is shown in the graph here, then the fundamental reasons for a recovery have to be very strong. To put it another way, the reason institutions won't buy property shares is just as much to do with the fact they do not think they will make money in them as it is with the relative virtues of direct or equity investment.

As seen in the graph, we have now arrived at an interesting point in history. Taking 1962 as a base, the property share sector has now arrived back relative to the All-Share Index, precisely where it started. Furthermore, it has outperformed the market for two months. This might be the point of a more lasting revival than last December's. If this moment has been reached, then the Rowe and Pitman, Hurst-Brown reasoning contains all the answers. First, on values, you mix a dearth of new developments with a drop in investment yields, and deduce that values have already revived an dmay continue to do so. On the basis of a 3 per cent. drop in investment yields, the report shows how Haslemere Estates could show a 21 per cent. increase in net asset value over the fully diluted NAV on 1976 values. The figures for Land Securities are 22 per cent. and for MEPC 30 per cent.

The argument is then underpinned by the demand for good quality properties, illustrated by the sales of leading companies. In January this year, the brokers calculated that the leading 46 companies had sold £800m. of properties in the previous 18 months. Since then they calcu-

lated that a further £300m. has been realised, making £850m, precisely what it has been doing for most of the past two and a-half years, costing investors a great deal in the process. Looking for a "technical rally" or even a real one in a market which is drifting downwards at under 4,000 deals a day is optimistic enough, even in a sector of historic strength. When the performance of that sector against the rest of the market is as dismal as is shown in the graph here, then the fundamental reasons for a recovery have to be very strong. To put it another way, the reason institutions won't buy property shares is just as much to do with the fact they do not think they will make money in them as it is with the relative virtues of direct or equity investment.

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## Chesterfield's French sale

While the tax charge has yet to be settled, Chesterfield Ronson has made approaching £45m. pre-tax (or over £2m. to Chesterfield Properties) from its development at Opera-St. Anne, Paris 2. The 70,000 square feet of offices in the development have been occupied for nearly a year by the Bank of Tokyo and the Banque Européenne de Tokyo and the buyer, Union des Assurances de Paris-VIE, is one of France's largest insurance groups. Some reports from Paris indicate that there are now substantial institutional funds seeking office investments. The investment yield on Opera-St. Anne is around 8 per cent.

This deal completes a successful cycle of disposals by Chesterfield Ronson in France, realising around £23m. It means that Chesterfield Properties can be released from its remaining French guarantees, totalling £5.6m. in the past accounts. It also means the bank loans of Chesterfield Ronson Europe Group, made to subsidiaries, which were shown as £22.4m. are reduced by over £18m.

## 80,000 sq. ft. proposed off Fleet Street

British Steel Corporation Pension Fund Nominees, the freeholders, and solicitors Lovell White & King, as prospective lessees, have been granted an ODP for a new building containing 80,000 square feet in Fetter Lane, off Fleet Street, London EC2. They now face the hurdle of Greater London Council planning permission.

The significance of this proposed development may be seen from the fact that the development, from the point of view, here is a third time round, which has apparently read the



Michael Lyell Associates' design for the 80,000 sq. ft. development with frontages on Fetter Lane, West H Street and Red Lion Court. Technical design and construction is by Bernard Sunley.

market pretty well—its development commitments elsewhere have come down to under £1m. and its purchase of Minister House for £5.34m., completed in October, caught the City market near the bottom—which is precisely the view that with money already tied up in the site, there is no point in waiting longer. For the prospective tenants, it is interesting that international solicitors feel it necessary to improve and enlarge their accommodation from Serjeants Inn round the corner, and that none of the near 300,000 square feet available in Fetter Lane alone appeals to them.

This site has taken some years assembling Collier and Madge, and Chestertons are agents for the landlords, with Ernest Owens and Williams acting as special consultants to the fund, while fold. From the development Jones Lang Wootton represents the point of view, here is a third time round, which has apparently read the

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The Portland Stone front of 37 Dover Street which was designed in 1772 by Sir Robert Taylor.

It was at this stage that the buildings of Berkeley Street were constructed and joined Ely House. At this time the rooms on Berkeley Street had the advantage of looking across the gardens of Devonshire House and Lansdowne House, which were not built over at that time.

One of the cast-iron lions modelled by Alfred Stevens in 1852.

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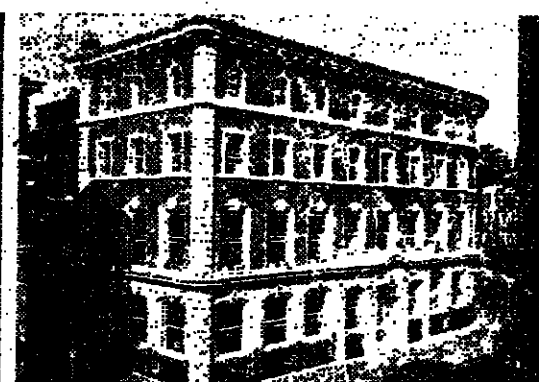
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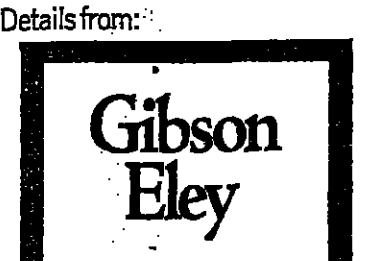
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three books all have to say about the period between the two one can have the faintest idea of what it was like. It is a book of much insight and subtlety. He has a quite unusual empathy. So much so that he not only isn't put off by his subjects' English idiosyncrasies and flaws, but at times seems to share them.

For instance, though some of the instances of his travels a fair amount, they were in art and their theories of art remarkably parochial. In their early days, they were occupied with the theory of the revolutionary art. Mayakovsky was still alive. He is not so much men-

tioned in any of Hynes's quotations, which are scholarly and lavish. Nor, on quite another wing of poetry, is Valéry, one of the supreme poets of the century. The Auden group were concerned with the relation between literature and politics. They discussed it with seriousness and often with high intelligence. Auden was a fine critic, as well as their best creative artist. Empson was an exceptionally clever man and a character of unshakable independence. Spender, whom Hynes understands completely, comes out of it very well—but none of them, not even Empson, seem to have realised that the whole debate had been thrashed over, with much greater power and urgency than their own. All through the Russian 19th century, once Belinsky, the greatest of radical critics, had set it alight.

But then the English group's politics came from duty, and a little from fashion, not from deep sympathy. Being so involved, Hynes may appear to have a little influence. It was minimal. The Left Book Club had a little. Reports in Time magazine and in other American journals, right from the early days of Nazi rule, had much more.

The thirties poets responded to that climate, just as a high proportion of educated England responded, but it was less delicate men, like Ernest Bevin using his massive power-lounging nature to kick the Labour movement out of semi-pacifism, who made it possible for the country to fight the inevitable war at all. Intellectuals played no part, except for men such as Blackett using their own kind of power to get the bare margin of equipment ready in time. The story of England in the thirties is complex, and it is unfair to expect Hynes to tell it in this particular book, though he is wide-minded enough to be able to do so, if he cared.

The Very Rich Hours of Adrienne Monnier, published on July 22, is a reflection of a different kind of literary life, only an hour's journey away, but about as different in tone as it could reasonably be. Adrienne Monnier was a provincial French girl with a passion for the arts. She was unafraid to write herself into the history of the time, she produced some good memoirs. She expressed her artistic passion by starting a bookshop, La Maison des Amis des Livres, in the Rue de l'Odéon in Paris. She started it on very little money, and never made any—even in her

most flourishing days, she earned only the equivalent of a few hundred pounds a year. Nevertheless, hers was one of the two most famous bookshops in Paris. The other was Sylvia Beach's Shakespeare and Company across the street, which served the Anglo-American avant garde as Adrienne Monnier's did the French. The two women fell in love and lived together. All very cosy, and it could have fitted comfortably into Hynes's London scene. Most of the Paris literary life couldn't, though. Adrienne was a shrewd observer, and she makes her friends, clients, patrons and protégés (she did much for unknown writers) seem far less boyish than the English group. About them there is none of the prep school facetiousness, which by the way is at least as repulsive to most grown up Englishmen as it must be to Americans. The French side of the story is richer than English, though we don't seem to have noticed it.

Fire of the Mind is an anthology, collected as a labour of love by two devoted friends, of Edith Sitwell's work. She, just as though she were a foreigner herself, is referred to in Hynes's quotations. Yet she had a beautiful if eccentric gift and was more original than any of the Auden poets except Auden himself. It now needs someone to come and look at her writing with a fresh eye, prose pieces as well as verse. It shouldn't be done by anyone of my age, who with delight in her, as I did, or who hated her, as New Verse did. I will allow myself to say just this. She was one of the most generous and lovable souls I ever knew. In his rendering "Serenade to a Sister," written not long after her death, her brother Sir Sacheverell says those words who knew her felt, but better than any of the rest of us could say it.

The current exhibition at the National Portrait Gallery, Young Writers of the Thirties, traces the careers in that decade of Auden, Day Lewis, Isherwood, MacNeice and Spender through a rich selection of photographs, manuscripts, unpublished letters and first editions. It remains open until November 7.

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Buchi Emicheta: classic love story

can never hope to marry a well-connected Ibo. Akuna's development from 13 to 15 is very sympathetically shown — her gradual realization of the sound new life, her humiliations and even kidnapping by a brutal and licentious Ibo. It is a brave story, finally sad, with an indication that it is the power of superstition at last that brings about the unhappy ending.

Four Faces, *Wobly Mirror* by Australian Chester Eagle is a more satisfactory story of a more recognisably Western situation. Melbourne couples, uncomfortable about their marriages, temporarily and covertly swap partners, and various peripheral characters also join in the exercise. I was unable to care about them, or to believe in their characters: they seemed to me endowed with so little life, and the author treated them to such endless earnest analysis. The action got lost or ignored under this weighty pondering, and I expected the book to end in a session spent, some 80 pages before it did.

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## Earthquake here

BY DR. DAVID CARRICK

The Great English Earthquake by Peter Haining, Robert Hale, £4.50, 219 pages

April 22nd, 1884, is a date without the slightest significance to the vast majority of people in Britain today. Indifferent to the existence of a largely rural area of North Essex, lying between the estuary of the Blackwater and the River Colne, from dawn until 9.20 a.m., it was an unexceptional day—perhaps a little better than usual, as the rain of the previous evening had gone, leaving a warm and freshly-washed Spring morning.

The busy little fishing village of Wivenhoe was no exception. The fishermen had been busy since dawn and the shops had been opened for over an hour. Presumably, because, miraculously, only one death was officially recorded, that of a child in Rowledge. Also there was no television and little in the way of Press photography. But another curious reason, one which from this meticulously recorded work, was the British arrogance and Victorian solid respectability that considered such natural disasters to be confined to foreign parts like, for example, Krakatoa, that had erupted a year before, with an explosion that man has yet to equal.

The book is well written and liberally illustrated with accounts from those who were there (one of whom is still alive) and with contemporary photographs. A chronological list of 70 lesser earthquakes, from the 2nd C. to 1884, is given, and in view of the recent Italian tragedy, shows that modern Britain is not immune from natural disasters which, if affecting huge, over-crowded conurbations, would make the forgotten Great English Earthquake truly forgettable.

villages, townships and hamlets over a radius of 150 miles were damaged to a greater or lesser extent, destroying over 1,200 shops, churches, larger houses and many smaller buildings. Assured in the ground and causing huge waves to sweep up the rivers and flood the land beside.

Damage was estimated at between £100,000 and £200,000 (current values for 92 years ago) and to this day many churches and brick buildings bear the scars, in the form of cracks, of that little known disaster.

Although of great sorrow and consequence to the people in the area affected, the event did not arouse too much interest in the rest of the country even then. Presumably, because, miraculously, only one death was officially recorded, that of a child in Rowledge. Also there was no television and little in the way of Press photography. But another curious reason, one which from this meticulously recorded work, was the British arrogance and Victorian solid respectability that considered such natural disasters to be confined to foreign parts like, for example, Krakatoa, that had erupted a year before, with an explosion that man has yet to equal.

The story of Anne of Green Gables—the child who thought that all the little wood things were put to sleep in winter by a fairy in a rainbow scarf, and that may-blossoms in spring must be the souls of last year's flowers—has captivated little girls and made strong men weep the world over. First published in 1908, it went into six editions in as many months and has since sold millions of copies in dozens of languages, touching hearts everywhere from England to Java and Nairobi and being regularly re-issued on stage, screen and postage stamps.

It has always been, for some reason, a special hit in Japan and favourite with British Prime Ministers: Ramsey MacDonald read every book by L. M. Montgomery he could lay hands on several times over, and the notoriously susceptible Stanley Baldwin at 80 was more than half in love with Anne.

This Canadian Cinderella who turned herself from a friendless, homeless, orphaned drudge into the prettiest, cleverest and best-beloved girl in the school was, of course, a dream come true. grins and relic-hunters who visit Prince Edward Island each year to see L. M. Montgomery's farm that one has perhaps no right to feel surprised—though her bed and the golf-course now one cannot help feeling cheated—built round the site of Green Gables.

## Homage to Adam Smith

BY LORD ROBBINS

Adam Smith: An Inquiry into the Nature and Causes of the Wealth of Nations. General Editors R. H. Campbell and A. S. Skinner. Textual Editor W. B. Todd. Two volumes, p.p. viii and vi. + 1,050. Clarendon Press, Oxford, £15.00

Essays on Adam Smith: Edited by Andrew S. Skinner and Thomas Wilson. p.p. xvi + 1. Clarendon Press, Oxford, £15.00

The bicentenary of the publication of Adam Smith's *Wealth of Nations* is being celebrated by the University of Glasgow in a very notable and academically invaluable manner. Not content with organising in Smith's honour one of the most successful conferences in social studies to be held in this country in the past 50 years, the members of the faculty which he once adorned, are also enriching the edition of his publications and academics remains, of which the three volumes here noticed are a first instalment, two devoted to the *Wealth of Nations* itself, the third to a collection of learned papers on various aspects of Smith's work as a whole.

For the new edition of the *Wealth of Nations* there can be nothing but praise—its predecessor, Cannan's edition of 1904, a superb scholarly edition, editing of economic texts in this country to a new plane of excellence; and the present editors pay a handsome tribute to its quality. But much has been learned since that date; and re-reading was due. For a pupil of Cannan—as I was—the highest recommendation that can be given of the present edition is that that very learned man, who believed in the progress of scholarship, would have been delighted with the work of his successors. We must all look forward with eagerness to the remaining volumes of the collection.

The *Essays on Adam Smith* fall into two parts. The first consists of papers dealing with the broader aspects of Smith's work as moral philosopher, social and economic scientist, historian and political controversialist. Literary and critical studies of the *Wealth of Nations* itself, with more technical aspects of propositions and attitudes in the *Wealth of Nations* itself. With such a

wealth of distinguished contributions, 14 in the first part, 16 in the second, it would be invidious to attempt to establish a class list. But tribute at least should be paid to Dr. Skinner's introductory survey and Professor Wilson's concluding essay. After reading Dr. Skinner it would be difficult for any candid reader not to acknowledge the continuity and broad consistency of Smith's work in the various fields he cultivated; while, for a judicious appraisal of the central content and significance for a later age of the *magna opus*, Professor Wilson's sympathetic and balanced summing up is unlikely to be bettered.

Of the rich yield of the papers which these two essays enclose, I would pick out for special mention, not for intrinsic superiority over the rest, but because personally I found them most helpful and thought-provoking, Professor T. D. Campbell's "Scientific Explanation and Ethical Justification in the Moral Sentiments" and Professor Bowler's "Some Aspects of the Treatment of Capital in The Wealth of Nations." I also should acknowledge a suitable and significant correction of an incautious statement of my own in Mr. Duncan Forbes' admirable "Sceptical Whiggism, Commerce and Liberty."

The only paper which seemed to me to fall much short of the level of the rest was that of Professor Hellbrunn of the New School for Social Research, New York, in which the very obvious and well-known implication of Adam Smith's theory of wages that, if the funds destined for the maintenance of labour cease to grow faster than the working population, then wages must fall, is made the basis for a demonstration of the essential classness of Smith's "social imagination." Needless to say, this is not the first, and is unlikely to be the last, attempt to interpret the *Wealth of Nations* in terms of the fashionable clichés of alleged class background: this is something we have to live with. But I should have thought that to attribute to a "classbound" outlook Smith's failure, in the third quarter of the eighteenth century, to anticipate the practice of family limitation, must certainly stand out as an all-time high in the art of reading history backwards.

## Canadian Cinderella

BY HILARY SPURLING

The Wheel of Things: A Biography of L. M. Montgomery by Mollie Gillen. Harparr, £4.50, 200 pages

quite so dull and dour and disappointing as Mollie Gillen makes it sound. Maude Montgomery was no less plain, nearly as common (her mother died young whereupon her father abandoned her to relatives) and rather more querulous than her famous heroine. She lived with her grandmother, she loved cooking, cleaning, plugging shabbily away at magazine stories and verses, prey to sick headaches and nervous spells, until she was 37 when she married a melancholy minister who never seemed to have sufficient satisfaction and who eventually wound up half-cracked.

She published 25 books, mostly connected with Anne or Anne's less celebrated successors Emily, Pat and Jane. But the ingenueness which has won so many friends for Anne seems less engaging in the narrow, sarcastic, rigidly conventional middle-aged woman who still thought that sweethearts were the souls of good butterflies and that any writer worth the name ought to stick to describing sunsets. Miss Gillen's biography is written in a pretty fair imitation of what she calls "authentic" Maude language, and belongs to a straightforward biographical style which will no doubt and beloved girl in the school was, of course, a dream come true. grins and relic-hunters who visit Prince Edward Island each year to see L. M. Montgomery's farm that one has perhaps no right to feel surprised—though her bed and the golf-course now one cannot help feeling cheated—built round the site of Green Gables.

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they do, the consequences of 1931 for the Labour Party will make them very reluctant to act. We shall have to be in a far worse fix than we were then for such a Government to be formed.

For the first three crises the author draws mainly on secondary sources and what others have told him, while in 1931 and 1940 he was himself in the political swim, and he relies a good deal on his own memory in describing them. Consequently his handling of his material varies a lot from one crisis to the next; sometimes concentrating on pen-portraits of the leading figures, and at others on political analysis.

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Edited by Peter Quennell and Alan Hodge

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## Messages in India

BY ISOBEL MURRAY

Became a Holy Mother Other Stories by Ruth Shabvala. John Cape, £3.95, 203 pages

Hospital Ship by Martin Jonathan Cape, £3.95, 168 pages

Price by Buchi Emicheta. Allison and Busby, 168 pages

Wobly Mirror by Chester Eagle. Wren David and Les, £4.95, 235 pages

year's Booker Prize Ruth Shabvala, who has her name signed, is a girl by birth, English by age. What marks out her volume of short stories, *Became a Holy Mother*, is the more moving and more far-reaching, dealing with Indians, not treating as before on "east in India. The stories this increased ambition, need I felt that the Indian characters were on the whole convincing and interesting.

Europeans, so that the story about a rather bumpy girl who "gets" Indian mysticism, is very much less successful than some of the more sombre stories. "Bombay," for example, concerns a Parsi family and its ramifications and although it is perfectly balanced and structured, one feels Mrs. Shabvala could have created a whole novel from Nargis, richly married, her husband and his silly sisters, and the intractably loving Uncle who helped to bring Nargis up and who outrages the laws of hospitality by refusing to live under her care, principally because of the silly sisters.

Other stories range from a first person narrative by an apparently sadly naïve wife who has to go to his mistress when her husband is arrested for bail money, through one or two about self-indulgent, self-deceiving Indian men who "worship" women devoutly and carelessly, calling each in turn "Goddess." I found the last story, "Desecration," the most powerful, dealing with strong issue of emotional instability, class difference and cross-class attraction, and coming to a shocking conclusion that leads inevitably to the suicide of the central character.

Apart from the title story, these are not particularly light-hearted stories, but neither are they heavy and gloom-laden. They are related in our English with compassion and concern for human beings and a tolerance of endless frailty that produces a most impressive volume.

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## Sea lords in rough water

BY ZARA STEINER

British Naval Policy Between the Wars, Vol. II: The Reluctant Rearmament, 1930-1939 by Stephen Roskill. Collins, £12.00, 525 pages

The Rise and Fall of British Naval Mastery by Paul Kennedy. Allen Lane, £10.00, 406 pages

Captain Roskill has completed his chronicle of the Royal Navy between the wars. A man of practical experience, mastery of the archives and the courage to make judgments places his volumes in a special historical category. It is a tribute to his objectivity and overall range that though Captain Roskill underlines the extraordinary difficulties of the diplomatic and political framework in which decisions had to be reached, he never ignores the failures of the navy. Rushed reduced in the twenties by the politicians and Treasury in the interests of peace and retrenchment, the naval chiefs compounded the weakness of their service by a series of wrong choices and poor appointments even when rearmament became a practical possibility.

There were some positive accomplishments: the settlement of the Anglo-American antagonism so brilliantly described in the first volume of this study and the appointment of Chatfield as First Sea Lord in 1933, a move which helped restore morale in the Fleet badly shaken by the Invergordon mutiny (authoritatively and sympathetically described here) and by the misdirection of one of the worst Boards in Admiralty history. Yet even the settlement with the United States, necessary and inevitable, carried with it an abdication of responsibility in Pacific and Far Eastern waters which was, unfortunately, never fully admitted either in London or in the Dominion capitals. With the resurgence of Japan, whom the Admiralty seriously underestimated, it was the Americans (whose power and position was accurately judged in naval circles), who would have to take up the burden.

Apart from Anglo-American cooperation, the picture is bleak one. The superb performance of the Fleet during the war owed little to its pre-1939 condition. Some of the factors were beyond naval control, public pressure for disarmament, Treasury vetoes, lost years over the Fleet Air Arm

until the summer of 1937. But there was also poor leadership, an incorrect order of priorities, and a number of questionable strategic and tactical decisions. The lessons of the First World War were not learnt. The Navy again prepared for the wrong war. Faith continued to be placed in capital ships and inadequate steps taken for the defence of merchant shipping against submarines ("underhand, unfair and damned un-English") and air attacks.

While exaggerating the effects of blockading Germany, the Admiralty failed to provide for the necessary escort vessels, anti-aircraft protection and proper submarine detection devices needed to keep Britain's vulnerable trade routes open. The "Bomb Two Matlines" controversy hardened attitudes. The General Board refused to admit that capital ships were vulnerable to air attack. Insufficient funds were allotted to the building of aircraft carriers. The carrier, not land-based air support, were given their proper place in Admiralty planning. Captain Roskill, who again has made excellent use of parallel American archives, indicates that the latter were less backward in this respect even during the late 1920s. The navy, rightly fearful of a three-front war, tended to be

complacent and over-confident. When it came to its own operational and logistic alternatives in the Atlantic, the Admiralty was Sharing the general rejection of a continental commitment, the General Board repeatedly ignored French overtures until the Abyssinian crisis. It was not until the spring of 1935 that Staff talks began to make progress and a year was to elapse before there was a full and frank statement of British plans and intentions.

The author's contention that excessive trust is preferable to suspicious openness to debate, Chatfield's arguments make strange retrospective reading. Captain Roskill believes that it was better to go to war in 1939 than in 1938 though in naval terms others have attributed part of the Royal Navy's success to the fact that war came five years too soon for their German counterparts.

These volumes bear out Dr. Paul Kennedy's thesis in *The Rise and Fall of Great Powers*. A concise and readable four-century survey of much of the old and new material on a subject rarely treated in its entirety. After 1870, economic and technological changes no longer favoured the maritime power. Even before the introduction of aircraft, naval strength alone could not alter

problems of the moment. In my view 1886 was one of the great lost opportunities of modern British history. If Gladstone had carried his Home Rule Bill, a united Ireland would still be part of the United Kingdom, much bloodshed would have been avoided, and subordinate assemblies would long ago have been established for Scotland, Wales, and probably England as well. We are wrestling with the consequences of his defeat.

The impact of the chapter on 1931 stems from the inevitable comparison between that crisis and our present one. Then, as now, some ministers—misguidedly as it turned out—felt they knew what needed to be done, and that their supporters would not back them. In the end those who wanted to act thought there was no alternative to a National Government. I doubt whether any of to-day's ministers have reached that conclusion, though many ordinary people wish they would. But if

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Please send for our booklet "The Business Side of Giving to Charity" or any others below that may interest you.

## CHARITIES AID FOUNDATION

48 Pembury Road Tonbridge Kent TN9 2JD

- THE FACILITIES OF THE CHARITIES AID FOUNDATION - a guide to methods of giving to charity.
- TRUST FACILITIES - a guide to the various types of trusts available for charitable giving.
- LIVING TO CHARITY FROM INCOME - a guide for



# WALL STREET + OVERSEAS MARKETS

## Firm tone still dominates stocks

### BY OUR WALL STREET CORRESPONDENT

BUOYED mostly by what analysts described as spillover demand from late Wednesday, the stock market moved moderately higher. In the background, there was also encouragement by indications U.S. monetary policy will follow a steady course for the time being, and by hopes that second quarter corporate earnings will show results.

Down Jones Industrial Average was ahead 1.88 at 993.04, advances outnumbered declines by a seven-to-four margin. Turnover approximated 100 million shares—a little ahead of Wednesday.

The Transport and Airline stocks were the most active. American Airlines rose 1.14 to 253.25. United Airlines rose 0.23 to 89.47. The stock index rose 0.50 to 310.15. Colgate-Palmolive, which reported higher earnings and raised the quarterly dividend, picked up 30 cents to \$28.

Among issues scoring gains of \$1 or more were Digital Equipment Corp. up \$1.79, Emery Air Freight up \$1.14, and Superior Oil up \$1.04. A. E. Staley \$1.14, better at \$3.00. Minnesota Mining up \$1.40 to \$3.00.

Motor, Steel and Chemical shares were fractionally mixed. Great Northern Nekeosa slipped \$1 to \$23. Texas Gas Transmission also dropped \$1 to \$33.

Prices on the American Stock Exchange pointed higher, with the Amex index up 0.63 at 105.93.

Turnover approximated 10 million shares.

Reidman Manufacturing gained \$1 to \$17.75 after a delayed opening.

The company announced development of a new valve and pump for dispensing fragrances and other products packaged in small bottles.

Adco Oil and Gas moved ahead \$1 to \$11.11 after reporting new oil and gas discoveries.

Syntax advanced 75 cents to \$33.11 with Houston Oil and Minerals 50 cents up at \$61.11.

Individually issues advanced \$1 or better following bullish corporate news.

Ford Motor was up \$1.14 at \$37.11. It raised its quarterly dividend by 20 cents a share to 50 cents.

Supercope advanced \$1.14 to \$22 and brought to nearly four points the gain of the last two sessions.

The company released an optimistic earnings estimate on Wednesday.

Borg-Warner rose \$1.14 to \$30.40 after raising its 1971 earnings forecast.

Among the volume leaders

pointing higher were Black and Decker up 25 cents at \$24.14.

Chemical ahead \$1 to \$46.11. LTV Corp up to \$16, and Pfizer higher at \$28.11.

Other Markets

Canada higher

A mild rally was the feature of Canadian share trading in light to moderate volume.

On the Toronto Stock Exchange, the Industrial Index edged up 0.88 to 188.83.

Base Metals put on 0.58 to 92.83. And Western Oils gained 1.41 to 230.85.

Some of the more concerted buying in Western Oils, Bow Valley Industries rose \$1.14 to \$23.11.

And Aquitaine Co. of Canada gained \$1.14 to \$21.11.

But Gd. were off 0.18 at \$20.11.

Elram Walker-Gooderham and Worts "A" weaker on Wednesday, lost 30 cents to \$30.11.

Industrial Canadian Imperial Bank rose \$1.14 to \$23.11.

Advances led declines 13 to 8.

Losses averaged up to D12.

Manusmann lost DMT. Leading Chemicals shed up to DMT.40.

Banks up to DMT.30. Electricals up to DMT.30 and DMT.30.

DMT.30. Siemens fell DMT.30 to DMT.30.

DMT.30. AEG lost DMT.30 to DMT.30.

DMT.30. Shares generally moved higher.

Major Banks ruled fairly steady.

Financials were irregular, leading Industrials were higher and utilities advanced strongly.

State Bonds

Jardine Matheson rose 20 cents to \$12.11.

Bank of China rose 10 cents to \$12.11.

Bank of India rose 10 cents to \$12.11.

Bank of Japan rose 10 cents to \$12.11.

Bank of Korea rose 10 cents to \$12.11.

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Bank of Thailand rose 10 cents to \$12.11.

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Bank of Guinea rose 10 cents to \$12.11.

Bank of Sierra Leone rose 10 cents to \$12.11.

Bank of Liberia rose 10 cents to \$12.11.

Bank of Ivory Coast rose 10 cents to \$12.11.

Bank of Upper Volta rose 10 cents to \$12.11.

Bank of Benin rose 10 cents to \$12.11.

Bank of Nigeria rose 10 cents to \$12.11.

Bank of Cameroon rose 10 cents to \$12.11.

Bank of Equatorial Guinea rose 10 cents to \$12.11.

Bank of Gabon rose 10 cents to \$12.11.

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closed quietly steady.

COPENHAGEN—Generally lower in fair dealings. Banks commodities, Industrials and Shipbuilding were all mixed.

OSLO—Industrials, Insurance, Banks and Shipbuilding were all quiet.

VIENNA—The market closed very steady in quiet dealings.

MILAN—The market closed mixed in slightly lower trading volume. General Industrials continued to hover around recent highs.

ROME—The market closed mixed in slightly lower trading volume. General Industrials continued to hover around recent highs.

BRUSSELS—The market was generally higher in quiet trading at the start of the new account with some sharp price movements.

FRANKFURT—Shares advanced across the board. Dutch Internationals showed modest gains and the rest of the market was higher.

AMSTERDAM—The market closed mixed in slightly lower trading volume. General Industrials continued to hover around recent highs.

PARIS—The market closed mixed in slightly lower trading volume. General Industrials continued to hover around recent highs.

BERLIN—The market closed mixed in slightly lower trading volume. General Industrials continued to hover around recent highs.

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## Sterling weaker

Sterling fell sharply in the foreign exchange market yesterday afternoon, with an order to sell sterling in New York having a marked effect in extremely tight trading. After the selling had been absorbed, the rate continued to fall with New York dealers marking the pound down and quoting very wide dealing spreads in an almost complete lack of business.

When the rate was tested in late dealings the pound rose again fairly quickly and it was suggested in the market that the Bank of England may have taken advantage of the low level of trading to push the pound up at the close.

Some selling of sterling was reported in the day, with a switching of oil payments into other currencies suggested as a reason for the pound's initial fall. It opened at \$1.922-1.923 and fell to \$1.917-1.918 before lunch. After remaining steady at \$1.917-1.918 until 1.30 p.m., it then fell to \$1.915-1.916 and at the close was still quoted on a very wide spread of \$1.910-1.915, a fall of 1.55 cents on the day.

The pound's trade-weighted average depreciation against 16 currencies since the Washington Currency Agreement, as calculated by the Bank of England, was 3.84 per cent. from 35 per cent. and stood at 38.2 per cent. at noon and 38 per cent. in early dealings.

The sterling's depreciation against 14 currencies as calculated by Morgan Guaranty of New York widened to 30.20 per cent. from 29.10 per cent. while the dollar's depreciation against 16 currencies since the Washington Currency Agreement, as calculated by the Bank of England, was 3.84 per cent. from 35 per cent. and stood at 38.2 per cent. at noon and 38 per cent. in early dealings.

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The sterling's depreciation against 14 currencies as calculated by Morgan Guaranty of New York widened to 30.20 per cent.



# Rhodesian tobacco

Our Own Correspondent  
SALISBURY, July 8

ESIA is to limit next year's tobacco crop to 10,000 tons, an "excessive" level, Mr. Hayman, the Rhodesian Minister of Agriculture, said in Parliament today. He said the Government would guarantee a price of 85 cents per kilogram for the crop, with a 10 per cent bonus for the first 5,000 tons and a 20 per cent bonus for the next 5,000 tons.

# Vietnam seeks alaysian aid rubber crop

Our Own Correspondent  
SALISBURY, July 8

THE AUSTRALIAN Government has agreed to provide technical assistance to the Vietnamese rubber industry. The agreement, signed in London, provides for the Australian Rubber Research Institute to provide technical assistance to the Vietnamese Rubber Research Institute.

# India's cotton import plan

By K. K. Sharma  
NEW DELHI, July 8

THE INDIAN Government has decided to import raw cotton worth Rs 700m (about \$45m) as well as to remove the 40 per cent import duty on cotton. The decision was announced in a joint statement issued in Canberra by Mr. Doug Anthony, Deputy Prime Minister and Minister for Overseas Trade, and Mr. Jan Sindelar, Minister for Primary Industries.

# More crops threatened as European drought spreads

By Peter Bullen

THE DROUGHT which has been confined to the British Isles and Western Europe has now spread eastward to include Eastern Europe and the extreme western areas of the Soviet Union according to a U.S. Government weather report. The U.S. Commerce Department's National Oceanic and Atmospheric Administration said that Germany, Czechoslovakia, Hungary, Poland and parts of western Russia received only about 50 per cent of their normal rainfall in June and little or no rainfall so far this month.

# Canada wins beef imports fight

CANBERRA, July 8

THE AUSTRALIAN Government has won a battle to secure the right to import beef from Canada. The Australian Meat Industry Board has secured a commitment from the Canadian Government to allow Australian beef to be imported into Canada.

# Tin price upsurge continues

By John Edwards, Commodities Editor

TIN PRICES rose sharply again on the London Metal Exchange yesterday, with the cash quotation reaching a new all-time peak of £4,620 a tonne, up £57.50 from the previous day.

# ROYAL SHOW

By John Cherrington, Agriculture Correspondent

THIS YEAR'S Royal Show has broken all records for entries and trade stands, also for heat and general discomfort, although "all Tuesday night only a couple of pigs had decided they could face it no longer."

# The price paid for a record success

By John Cherrington, Agriculture Correspondent

None of these crops are yet adapted to British conditions, but undoubtedly they could be, if enough scientists spent enough time developing them to what end. In plant breeding all within reason is possible but even trying to develop better yielding strains of the common cereals can be a frustrating and most expensive job in British conditions.

# New crops

By John Cherrington, Agriculture Correspondent

This had no possible connection with farming, except perhaps that it was situated midway between the Royal Show and the National Agricultural Centre—the latter being the Society's best achievement since the war.

# Free wine

By John Cherrington, Agriculture Correspondent

A couple of years ago the international area was new, and attracted great attention. There are more countries here than ever this year, but I did detect a growing lack of interest on both sides. Exhibitors had come to realise that the show only lasts for four days, and that farmers, given the chance, will lap up any amount of free wine if offered and even buy some when in the mood.

# CHANGE IN MCA

By John Cherrington, Agriculture Correspondent

The FEC announced new monetary compensatory amounts (MCAs) for cereals for Britain for the week starting July 12. The new MCA percentages and coefficients are minus 19.5 and 1.19.

# U.S. Markets

By John Cherrington, Agriculture Correspondent

PRECIOUS METALS closed lower on Commodity Exchange. Gold futures fell 10 cents to \$198.50. Silver futures fell 10 cents to \$10.50.

# COMMODITY MARKET REPORTS AND PRICES

BASE METALS

Commodity	Unit	Price
Copper	lb	1.15
Aluminum	lb	0.25
Zinc	lb	0.20
Lead	lb	0.15
Nickel	lb	0.30
Steel	lb	0.10

# PRICE CHANGES

Prices per ton unless otherwise stated.

Commodity	Unit	Price
Wheat	lb	0.10
Barley	lb	0.08
Oats	lb	0.06
Rye	lb	0.07
Maize	lb	0.05
Sorghum	lb	0.04

# COFFEE

Robusta futures moved strongly higher after the afternoon with renewed buying for the near future.

Commodity	Unit	Price
Robusta	lb	0.15
Arabica	lb	0.12

# SOYABEAN MEAL

The market opened lower than in sympathy with Chicago grain complex.

Commodity	Unit	Price
Soyabean meal	lb	0.08

# COFFEE

Robusta futures moved strongly higher after the afternoon with renewed buying for the near future.

Commodity	Unit	Price
Robusta	lb	0.15
Arabica	lb	0.12

# SUGAR

London Daily Sugar (raw sugar) 100 cwt. 100 cwt.

Commodity	Unit	Price
Sugar	lb	0.05

# RUBBER

Unchanged opening on the London physical market.

Commodity	Unit	Price
Rubber	lb	0.10

# WOOL FUTURES

London—Market steady.

Commodity	Unit	Price
Wool	lb	0.10

# GRAINS

The Baltic—Imported grain was quiet and featureless with prices showing only small irregular movements.

Commodity	Unit	Price
Wheat	lb	0.10
Barley	lb	0.08
Oats	lb	0.06
Rye	lb	0.07
Maize	lb	0.05
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# REUTERS

1975.5 1986.8 1012.8 1108.6

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## WHAT'S A PAIR OF EYES WORTH?

Think about it. Then think about Britain's blind people, all 120,000 of them. We're doing a lot for them now, but with your help, through legacies and donations, we could do a great deal more.

At the moment, we have rehabilitation centres for newly blind people, holiday homes, homes for the elderly, Sunshine Nurseries and Schools for blind children, braille literature and music, a Talking Book service and training and employment schemes. We're doing all we can to prevent blindness too—by spending thousands of pounds each year on research. This is why your legacies and donations can play such an important part in our work.

Why not turn a thought into a gift of money now?

## RNIB

### ROYAL NATIONAL INSTITUTE FOR THE BLIND

224 GREAT PORTLAND STREET, LONDON W1N 6AA

Under the Finance Act 1975, bequests to charities up to a total of £10,000 are exempt from Capital Transfer Tax. Registered in accordance with the National Assistance Act 1948.

L.G. INDEX 01-351-2968 DECEMBER SUGAR 2067-2081

## FINANCIAL TIMES

July 7 1976

237.55	245.55	251.52	159.37
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(Base: July 1, 1962=100)

## REUTERS

July 8 1976

1975.5	1986.8	1012.8	1108.6
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(Base: September 1, 1961=100)

## DOW JONES

July 7 1976

279.85	282.58	285.55	289.07
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(Base: September 1, 1928=100)

## MOODY'S

July 7 1976

104.80	105.80	106.80	107.80
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(Base: January 1, 1926=100)



## Equities move narrowly in thin trading conditions

Index 0.7 off at 387.3, after 385.1—Properties up again

[illegible]

547.1	Spice	103.6
49.4	Spice	176.5
49.4	Spice	141.5
45.5	Spice	39.9
56.17.1	Spice	102.0

...Australian Mining and (4) higher at 214p) reflect recent strength of base prices, but profit-taking; continental, lower at \$1... Elsewhere, "Tanks" rose 7 to 162p; the annual is due 10-day.

**These indices are the joint compilation of The Financial Times, The Institute of Actuaries and The Faculty of Actuaries**

**broadcasts  
next week**

BBC RADIO is to broadcast Channel 4 information at 4 and 6 p.m. to help home-made exporters to the U.K.

From Friday, July 16, it will be one-minute report Radios 1 and 2 concerned conditions on the opposite parts of both sides of the Channel.

The reports—the result Radio co-operation with RAC and Continental business organizations—will be at the following times:

Fridays: 6.51 p.m. (Rad 2); Saturdays: 5.32 a.m. (1 and 2); 6.03 p.m. (Rad 1); Sundays: 8.32 a.m. (Radio

## BASE LENDH RATES

Allied Irish Banks Ltd  
American Express Bank  
Anglo-Portuguese Bank  
Hearst Ansbacher .....  
Banco de Bilbao .....  
Banco de Jerez .....  
Bank of Cyprus .....  
Bank of N.S.W. ....  
Banque du Rhone S.A  
Barclays Bank.....  
Barnett, Christie Ltd  
Barnett Holdings Ltd  
Brit. Bank of Ind. Eas

- C. E. Coates .....
- Consolidated Credits .....
- Co-operative Bank .....
- Commercial Security .....
- Credit Lyonnais .....
- G. R. Dawes .....
- Duboff Brothers .....
- Duncan Lawrie .....
- English Transcont .....
- Exche London Secs .....
- Anchor Gibbs .....
- Grindlay Guaranty .....
- Grindlays Bank .....
- Guinness Mahon .....
- Hambros Bank .....
- Hill Samuel & Partners .....
- Hill Samuel .....
- C. Hoare & Co. ....
- Julian S. Hodge .....
- Hongkong & Shanghai .....
- Industrials Bank of Scot. ....
- K. H. Kilmartin .....
- Knowles & Co. Ltd. ....
- Lloyds Bank .....
- London & European .....
- London Mercantile .....
- Midland Bank .....

Senesinger Limited ...  
 E. S. Schwab .....  
 Security Trust Co. Ltd.  
 Shenley Trust .....  
 Standard Chartered ..  
 Trade Development Bk.  
 Twentieth Century Bk.  
 United Bank of Kuwait  
 Whiteaway Laidlaw .....  
 Williams & Glyn's .....  
 Yorkshire Bank .....

■ Members of the Accrington Committee.  
 \* 7-day deposits 6½%, 1-month

1 7-day deposits run sums of \$20,000  
 under 6 1/2% up to \$25,000 7 1/2%  
 over \$25,000 7 7/8%  
 2 Demand deposits 6 1/2%  
 3 Call deposits over \$1,000 6 1/2%

**CORAL INDEX**  
 Close 353-355

**INSURANCE BA  
 RATES**

1 Cancellation Assurance  
 Cannon Assurance  
 Address shown under Insurance  
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# AUTHORISED UNIT TRUSTS

[illegible]

## INSURANCE, PROPERTY, BONDS

## REGIONAL MARKETS

selection of the share prices previously shown under regional headings listed below with quotations on London, Irish issues, most of which are not listed in London, are shown separately and with prices as on the Irish day.

[illegible]

## FOOD PRICE MOVEMENTS

	July 8	Week ago	Month ago
	£	£	£
CON.			
Danish A.1 per tonf .....	870	870	910

British A1 per tonf .....	850	850	850
Irish Special per tonf .....	850	850	870
Polish A1 per tonf .....	850	850	870
UTER A1 per tonf .....	850	850	870
11STER (packet)			
NZ per 20 lbst .....	9.24-9.32	9.24-9.32	9.20-9.36
English per cwt .....	49.84-51.40	49.84	51.85
Danish salad per cwt .....	53.30-55.30	53.30-55.30	53.30-55.33
ESSE			
English cheddar rindless			
per tonne .....	950.79	950.79	950.79
NZ per tonne .....	872.5	872.5	872.5

Home-prod.	Standard ...	2.00- 2.20	2.35- 2.55	3.00- 3.40
	Large .....	2.40- 2.70	2.70- 3.00	2.70- 2.90
		July 8	Week ago	Month ago

	per pound	per pound	per pound
Scottish killed sides (ex KRCF) .....	39.0-43.0	40.0-44.0	42.0-46.0
Eire forequarters .....	28.0-28.0	25.0-28.0	30.0-32.0
Argentine chilled rumps			
MR			
English .....	39.0-42.0	40.0-42.0	40.0-44.0
NZ PLe-Pats .....	33.0-39.5	33.0-39.5	37.0-40.0
AAK (all weights) .....	24.0-33.0	24.0-34.0	27.5-37.0
ITON			
English ewes .....	17.0-20.0	16.0-18.0	18.0-22.0
LANX			

Broiler chickens .....	26.5-29.0	28.0-29.0	25.0-27.0
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\* London Egg Exchange price per 120 eggs. † Delivered.  
or delivery July 10-17.

*(continued)*

## OFFSHORE AND OVERSEAS FUNDS

# We're pinning our hopes on you


Since our work began, lifeboatmen have saved more than 100,000 men, women and children from death at sea.

To help keep up the good work, however, we need modern self-righting boats which are now costing £10,000 more than last year.

Maintenance, too, has been hard hit by inflation.

You're already so generous on flag days, and with gifts and legacies, it seems almost wrong to ask more of you. But if only more people would join, or get their friends to join Shoreline (minimum subscription is £3.00 a year), we would have guaranteed help on a regular basis. Once again we ask,

can you help?



To: The Director, RNLI, West Quay Rd, Poole, Dorset PO6 3LZ

Name

Address

I wish to help the RNLI in the following way:

I enclose subscription to join Shoreline ☐

I am a Lifeboat Member £3.00 (minimum) ☐

Member & Governor £25.00 (minimum) ☐

Please send me details of how I can help with a Legacy or bequeath. ☐

*Donations accepted by voluntary contribution.*

**RNLI**

[illegible]

## NOTES







**EXHIBITS—Continued**[illegible]

12	64	66	62	64	62	George Trust	71	68	71	68
13	64	66	62	64	62	Griffin	71	68	71	68
14	64	66	62	64	62	Griffin	71	68	71	68
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16	64	66	62	64	62	Griffin	71	68	71	68
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30	64	66	62	64	62	Griffin	71	68	71	68
31	64	66	62	64	62	Griffin	71	68	71	68
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86	64	66	62	64	62	Griffin	71	68	71	68
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91	64	66	62	64	62	Griffin	71	68	71	68
92	64	66	62	64	62	Griffin	71	68	71	68
93	64	66	62	64	62	Griffin	71	68	71	68
94	64	66	62	64	62	Griffin	71	68	71	68
95	64	66	62	64	62	Griffin	71	68	71	68
96	64	66	62	64	62	Griffin	71	68	71	68
97	64	66	62	64	62	Griffin	71	68	71	68
98	64	66	62	64	62	Griffin	71	68	71	68
99	64	66	62	64	62	Griffin	71	68	71	68
100	64	66	62	64	62	Griffin	71	68	71	68

[illegible][illegible][illegible][illegible][illegible]

\* Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.  
 \* Figures are 12 month dividend declarations.  
 \* Regional price.  
 \* No par value.  
 \* Dividend yield: Dividend figures based on prospectus or other official statement. \* Cdn. Div: Dividend rate paid or payable on basis of capital; cover based on dividend on full capital.  
 \* Non-currency yield: 1. Full year dividend and yield based on current market price. 2. Dividend and yield after 1 year. Payment from capital sources. \* Kenya: At interim higher than previous total. \* Rights issues pending. \* Earnings based on current earnings. \* Dividend priority. \* Dividend cover: Dividend yield exceeds a special payment. \* Indicated dividend: refers to previous dividend, P/E ratio based on latest earnings. \* Dividend cover: Dividend yield exceeds previous year's earnings. \* Tax free up to 30p in the £. \* Yield allows for currency clause. \* Dividend and yield include a special payment. \* Dividend cover: Dividend yield exceeds a special payment: Cover does not apply to special payments.

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# FINANCIAL TIMES

Friday July 9 1976

**BELL**  
SCOTCH WHISKY

## Education leaders back new exam

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

EDUCATION leaders voted overwhelmingly in London yesterday for a common school-leaving examination in England and Wales. At present there is a choice between GCE Ordinary level and the Certificate of Secondary Education.

The vote taken in the Schools Council — whose governors represent 33 professional groups — was 57 to 37 in favour of the new Certificate of Education exam to the Secretary for Education and Science, asking that it should be fully operational five years after Ministerial approval.

During the debate many governors criticised the new scheme, implying that it might reduce the challenge to the academically brightest minority of pupils. They added that the administrative structure had not been settled, so preventing adequate estimate of how much the change would add to the present examination cost of roughly £12m a year.

In the end, only six of the

critics opposed the recommendation, including the representative of the Confederation of British Industry.

If approved—and Mr. Fred Mulley, Education Secretary, probably will not defy the Schools Council's opinion—the Certificate of Education would become the foundation for the national examination structure of England and Wales, which is spreading its influence into Scotland.

Much support for it stems from the feeling that the spirit of comprehensive schooling calls for a single 16-plus certifying device, instead of two—O-levels for the more academic youngsters and CSE for the rather less academic.

The Certificate of Education will not be new in basis. Its grading system will be a nailing together of those for O-levels and CSE, and the convention of awarding a certificate for a single subject will continue.

Among the seven classified

and four, which will coincide with the old pass/fail line in O-levels. In the main subjects of the new exam, these top three grades will be awarded consistently to about five candidates in every 12.

The second point will be the border between grades six and seven. This will refer to the 4/5 border of CSE which is supposed to divide the average child from below average. But, since the assumption is that the new exam will be entered by only the most able 60 per cent of pupils, the six "above average" grades will be awarded to about five out of every 10 candidates.

Dr. Alex Smith, chairman of the Schools' Council, confirmed yesterday that the new examinations, like its predecessors, will be no sure measure of whether children's standards of school attainment are rising, falling or static.

As with its predecessors, it will be easier to obtain a given grade in subjects such as art and English language than in others such as physics and chemistry.

## Sterling falls by 1.35 cents

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

STERLING DROPPED sharply yesterday after a period of selling in New York, at one stage showing a fall of nearly two cents on the day before closing 1.35 cents down at \$1.7890.

Dealers in London were surprised by the drop, since in the morning some selling from the Continent had been absorbed with only a 30-point decline in the rate to just under \$1.80.

The pressure then developed in the last hour's trading in London, following on two sizeable orders in New York, and sterling slipped back in very thin dealings with wide spreads quoted.

The sharp rally right at the close may have reflected some support for the spot rate from the authorities, who earlier in the day seen to have confined their activities to maintaining the squeeze on the forward market.

Dealers in London were saying last night that not too much

should be read into the late volatile movements since there had been no change of sentiment. They also claimed that some sort of reaction was inevitable after the strength of the pound in the first few days of the month.

Although speculation about speeding cuts has undoubtedly helped to the rate, the market is also, of course, still affected by doubts over the long-term intentions of sterling balance holders. Following the confirmation last week-end that some of the \$5.3bn. standby credit has now been used, there have also been rumours about the extent of the drawings.

Both the Treasury and the Bank of England have refused to comment, though leading market sources believe the use has been substantial. The exact figure may vary from day to day, since the bank has been active in the forward market, where the commitment is by definition only temporary, though operations may have to be renewed.

## Industries allowed 20-year gas rights

BY RAY DAFTER, ENERGY CORRESPONDENT

THE GOVERNMENT has made an important concession to the oil and petrochemical industries by assuring them that they will be able to use North Sea natural gas for chemical manufacturing for at least the next 20 years.

The assurance, given by Dr. Dickson Mabon, Minister of State for Energy, covers the use of ethane, propane and butane. The gases can be used as chemical feedstock for a variety of products including fertilisers and plastics.

In addition, the Government will allow the industrial use of methane—the natural gas used by the British Gas Corporation for at least ten years.

Offshore oil explorers will be able to use any gas they find in their own chemical plants. This will be a major part of the relevance to companies like ICI, Shell, BP, Esso and Monsanto which have offshore interests as well as chemical plants.

Companies with chemical interests have emphasised in talks with Government that they have been exploring in the North Sea, partly to give themselves greater security of feedstock.

The assurances follow considerable industry concern about Government controls over the use of natural gas as proposed under the Energy Bill. Dr. Mabon told the Commons committee considering the Bill that

he hoped the industries would respond "energetically and constructively."

He said that "certain companies went into exploration in the North Sea in order to gain access to feedstocks, in particular ethane, propane and butane, essential to the industry and agriculture of this country."

"If their use of any gas they have found or may find should now be put at risk, they would have a valid reason for a sense of grievance."

The Government, he added, was trying to encourage the establishment of a consortium to develop a gas-gathering pipeline system at an estimated cost of £2bn. The pipeline network would gather a "quite large amount of gas" that would otherwise be lost from oil fields where associated gas was to be found.

The announcement follows a recent statement by Mr. Anthony Wedgwood Benn, Energy Secretary, about the possibility of considering before its passage a feasibility study of gas gathering systems. Oil and petrochemical industries have been invited to take part in a possible consortium.

The oil and chemical industry has urged the Government that, without the assurance of North Sea feedstock, major investment programmes in the U.K. might be affected.

## Qualified clearance for fast reactors

BY DAVID FISHLOCK, SCIENCE EDITOR

THE ROYAL Commission on Environmental Pollution will not oppose construction of Britain's first commercial fast reactor, Sir Brian Marshall, chief scientist at a Financial Times conference on nuclear energy and the public interest in London yesterday.

But its report on nuclear power, to be published in September, will urge the Government strongly to back the project with research into several long-term problems—especially nuclear waste management—which will add substantially to the cost.

Sir Brian's qualified approval of a prospective £1bn. project followed a suggestion from Dr. Walter Marshall, chief scientist at the Department of Energy, that the possibility of participating in an emerging world market for fast reactors from the 1980s offered Britain a way of retaining a domestic nuclear manufacturing industry.

Dr. Marshall contended that the over-riding problem for the nuclear industry during the next

decade, when domestic orders would be scarce, was the creation of a strong industrial capability for the time when it would be needed again.

Opening the conference, Mr. Alex Eadie, Minister for Energy, said that the Government would take the Royal Commission's forthcoming report on "nuclear power and the environment" into consideration before taking its promised decision on the fast reactor this autumn.

The Royal Commission has been widely reported as opposing the fast reactor since its chairman wrote a letter to the Prime Minister urging that no decision on the reactor's future be taken until it had completed its investigations. Sir Brian said yesterday that, while acknowledging that there may be no alternative to nuclear power, which in the U.K. context implied using the fast reactor—his commission was not yet convinced that this was the case.

Conference report Page 9

## Weather

London, S.E. and N.W. England, E. Anglia, E. and N.E. England, Midlands, N. Wales, Lakes, I. of Man, S.W. Scotland, N. Ireland, Highlands, Argyll, N.W. Scotland. Cloudy with rain. Max. 23C. Channel Is. S.W. England. S. Wales. Cloudy with rain, becoming brighter. Max. 19C (66F).

### BUSINESS CENTRES

	Y'day	Mid-day	Y'day	Mid-day
Amsterdam	5.28	5.28	London	5.28
Antwerp	5.28	5.28	Luxembourg	5.28
Barcelona	5.28	5.28	Madrid	5.28
Belgium	5.28	5.28	Brussels	5.28
Berlin	5.28	5.28	Munich	5.28
Birmingham	5.28	5.28	Frankfurt	5.28
Bombay	5.28	5.28	Calcutta	5.28
Buenos Aires	5.28	5.28	Caracas	5.28
Cairo	5.28	5.28	Hong Kong	5.28
Cardiff	5.28	5.28	Paris	5.28
Cebu	5.28	5.28	Manila	5.28
Copenhagen	5.28	5.28	Oslo	5.28
Dublin	5.28	5.28	Rome	5.28
Edinburgh	5.28	5.28	Stockholm	5.28
Glasgow	5.28	5.28	Sydney	5.28
Hong Kong	5.28	5.28	Tokyo	5.28
London	5.28	5.28	Yokohama	5.28

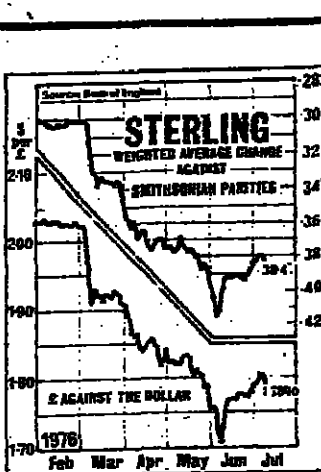
### HOLIDAY RESORTS

	Y'day	Mid-day	Y'day	Mid-day
Bournemouth	5.28	5.28	Blackpool	5.28
Brighton	5.28	5.28	Canterbury	5.28
Bristol	5.28	5.28	Cardiff	5.28
Burnley	5.28	5.28	Canterbury	5.28
Canterbury	5.28	5.28	Cardiff	5.28
Cardiff	5.28	5.28	Canterbury	5.28
Canterbury	5.28	5.28	Cardiff	5.28
Cardiff	5.28	5.28	Canterbury	5.28
Canterbury	5.28	5.28	Cardiff	5.28
Cardiff	5.28	5.28	Canterbury	5.28

THE LEX COLUMN

## Clearer picture at Imps

Index fell 0.7 to 387.3



Imperial Group's interim statement largely resolves the uncertainties created this year by changes in tobacco duties and the price war in king size brands. Tobacco profits so far are marginally lower, despite exceptional levels of demand, in the final few weeks as customers built up stocks at pre-Budget prices, and the current half has to bear substantial costs for the aggressive promotion of John Player King Size.

But after a rise from £52.6m to £65.1m, pre-tax in the first six months, Imps expects that group profits over the rest of 1975-76 should be no less than last year's levels. The food division has been moving ahead strongly for 12 months now and is continuing to improve, while the paper and packaging side is starting its cyclical upswing. But Imps' projection must also imply reasonable stability in tobacco earnings. And John Player is going very well by all accounts, which is extremely important for a group which until now has been under-represented in what seems likely to become a much more important segment of the market.

Overall profits could emerge a little over an eighth higher at upwards of £120m, while short-term borrowings could drop by roughly £20m, without taking account of the proceeds of the TST sale. This sum, £14m, is being set aside along with the money received for the BAT share sale last year, which at some stage is going to finance major new investments. The interim dividend would probably be covered by CCA earnings (assuming the appropriate tax concessions) and with a prospective yield of over 10 per cent, at 77p, the shares may continue to do a little better than the market.

### Town & City

Town and City's request for increased borrowing powers is another reminder to a currently buoyant property sector that the highly geared groups are

by no means out of the wood yet. T and C's particular problem recently has been its exposure to the weakness of sterling. The last balance-sheet, dated March 1975, gave foreign currency debt as £99m, against overseas property assets perhaps £35m, less than that. At the subsequent £27m rise in foreign debt has involved capital losses as well as helping to boost the overall total of borrowings from around £330m in March 1975, to £350m, last month. At last March 31, in fact, before the £25m, Dutch property sales, borrowings would have been higher still. Given that charges to the reserves by the halfway stage had reached £18m, cutting the existing borrowing limit (three times capital and reserves) from £427m to some £370m, there is the probability of a close call when the 1975-76 accounts are published. Hence the proposals to introduce a £400m, minimum limit.

Amendments are needed to the Articles of Association and a two loan stock trust deeds: the existing borrowing limit is itself less than a year old. So T and C appears to be fairly pleased that the price it is paying comprises only a half-point increase in the 6.2 per cent, coverage

## Royal visit to U.S. a success despite some odd notes

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, July 8.

THERE is no doubt that the Royal visit to the U.S. is turning out a smashing success. There have been elements of high, low and inadvertent comedy in the proceedings, but the American welcome for the Royal Family on the occasion of the 200th anniversary of U.S. independence has been quite overwhelming.

The New York Times has run the text of the Queen's speech on her arrival in Philadelphia at the top of its front page. Public (not-commercial) television last night staged a 4-hour special, covering every aspect of the White House banquet live, except the dinner itself.

Huge crowds have greeted the Queen and Prince Philip wherever they have gone. They have responded with their accustomed grace and dignity, the Queen even permitting herself a gentle defence of George III, who lost the American Colonies because of "a lack of statesmanship" but who nonetheless was happy to greet John Adams when he became first U.S. Ambassador to the Court of St. James's.

But perhaps the highlights of the visit have been the vignettes, the fleeting not-to-be-forgotten moments that, in their way, tell one more about America and Britain and the personalities involved.

Thus, of the 233 guests at last night's White House gala only one man, Anthony Crosland, was

Foreign Secretary, was in black, rather than white, tie. Acute observers of the social scene had noticed a similar anomaly when President Giscard d'Estaing recently came to London.

Dr. Henry Kissinger, who is said to have a similar distaste for white tie pomp and ceremony but who was dressed to the formal bill, said of his British counterpart: "It is his great personal crusade and I admire him on her arrival in Philadelphia at the top of its front page.

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## Hambros Bank building sold to pension fund for £10m.

BY QUENTIN GUIRDHAM, PROPERTY CORRESPONDENT

IN THE SECOND £10m-plus City of London office sale this week, Berkeley Hambro Property Company is selling its freehold interest in Nos. 41 and 51 Bishopsgate, which include the headquarters of Hambros Bank, for £10.365m.

The buyer is a U.K. pension fund, Berkeley Hambro's sale comes two months after it raised £18.17m from the sale of its half share in the headlease of the 99 Bishopsgate tower block to the Hong Kong and Shanghai Banking Corporation.

N. H. Properties, the wholly owned subsidiary which had held 41 and 51 Bishopsgate, has leased back the properties at 80 per cent of rack rental value. It then turned the buildings are underlet to Hambros Bank for the full

term of the new 94 years headlease.

This means that the purchasing fund in market suggestion yesterday was that the GEC pension fund was the buyer) will receive 80 per cent of the rental income paid by Hambros Bank, with reviews every five years, while Berkeley Hambro will retain its interest in the other 20 per cent of income. This arrangement is sometimes favoured by institutions as offering greater security.

The buildings were owned by Hambros Bank until its property interests were hived off to form Berkeley Hambro. The bank holds 49 per cent of the property group's equity. Jones Lang Wootton acted for N.H.

Properties and the purchasers were clients of Louis Scott and Partners.

The other large office sale in City this week was the £10.8m, paid by the Pension Fund Property Unit Trust to the Electricity Supply Nominees for City - Gate House, Finsbury Square.

This was an unusual deal in so far as pension funds seldom sell their investments. The significance of both transactions may be that they involve older buildings, indicating that the institutions, being unable to secure the most modern air-conditioned City blocks, are now prepared to consider purchasing older buildings on which the initial yield is higher.

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## MIDDLE EAST at it's best!

EGYPT is one of the major commercial and financial Centres of the Middle East. In co-operation with an Egyptian Governmental Company we have here the following real estate developments to let:

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2. in PORT SAID: office and commercial centre of approx. 15,000 sqm, in units
3. in SUEZ: office and commercial centre of approx. 20,000 sqm, in units

All buildings provide international standards; they are air-conditioned; have automatic lifts; sunproof, insulated glass windows; movable wall system. The offices are equipped for telephone and telex communication systems. Offices to be let unfurnished or completely furnished at option.

Tenants needs can still be considered. This is an ideal situation for your own office in the important economic area of the Middle East.

For detailed information please contact

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